NOVA

NOVA Corporation of Alberta

NOTICE OF ANNUAL MEETING

NOTICE is hereby given that the Annual Meeting (the "Meeting") of the holders of common shares (the "Common Shares") of NOVA Corporation of Alberta (the "Corporation") will be held at The Calgary Convention Centre, 120 Ninth Avenue S.E., Calgary, Alberta on Friday, April 23, 1993 at 10:30 a.m. (Calgary time) for the following purposes, each of which is described in more detail in the accompanying Management Information Circular (the "Information Circular") which is incorporated by reference herein, namely:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 1992 and the reports of the Directors and the Auditors;
2. to elect certain Directors;
3. to appoint Ernst & Young as the Auditors of the Corporation and to authorize the Directors to fix their remuneration as such; and
4. to transact such other business as may properly be brought before the Meeting.

The record date for the determination of holders of Common Shares entitled to receive notice of, and to attend and vote at, the Meeting is the close of business on March 10, 1993. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

By Order of the Board of Directors

(Signed) JACK S. MUSTOE
Vice President, General Counsel and
Corporate Secretary

Calgary, Alberta
March 15, 1993

TO: Holders of Common Shares

If you are unable to attend the Meeting in person, please complete and sign the enclosed form of proxy and forward it in the enclosed postage prepaid self-addressed envelope to the Corporate Secretary of the Corporation, or otherwise deliver it c/o The R-M Trust Company, 600 The Dome Tower, 333 Seventh Avenue S.W., Calgary, Alberta T2P 2Z1, in either case to reach the addressee no later than 5:00 p.m. (Calgary time) on Thursday, April 22, 1993.

NOVA

NOVA Corporation of Alberta

MANAGEMENT INFORMATION CIRCULAR

GENERAL

This Management Information Circular (the "Information Circular") is furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors and the management of NOVA Corporation of Alberta (the "Corporation") for use at the Annual Meeting of the common shareholders of the Corporation (the "Meeting") to be held on Friday, April 23, 1993 at 10:30 a.m., Calgary time, at The Calgary Convention Centre, 120 Ninth Avenue S.E., Calgary, Alberta and at any adjournment thereof. The accompanying form of proxy is for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting, and at any adjournment thereof. A copy of the Annual Report, which includes the Consolidated Financial Statements of the Corporation for the fiscal year ended December 31, 1992 to be presented to the Meeting is also enclosed. **A copy of this Information Circular, the Corporation's Annual Information Form for the fiscal year ended December 31, 1992, as filed with Canadian provincial securities commissions and, under cover of an Annual Report on Form 40-F, with the United States Securities and Exchange Commission, and any interim financial statements of the Corporation subsequent to the financial statements for the year ended December 31, 1992 may be obtained by any person without charge by writing to the Corporation to the attention of its Corporate Secretary, P.O. Box 2535, Postal Station M, Calgary, Alberta T2P 2N6.** The Corporation's Annual Information Form contains the comparative Consolidated Financial Statements of the Corporation for the year ended December 31, 1992 and the report of the Corporation's Auditors thereon. The Annual Information Form does not incorporate any document by reference.

Pursuant to the General By-law of the Corporation, instruments of proxy must be received by the Corporate Secretary of the Corporation no later than 5:00 p.m., Calgary time, on Thursday, April 22, 1993. Proxies can be delivered to the Corporate Secretary by using the enclosed postage prepaid self-addressed envelope, or by otherwise delivering them c/o The R-M Trust Company, 600 The Dome Tower, 333 Seventh Avenue S.W., Calgary, Alberta T2P 2Z1.

It is anticipated that this Information Circular and the accompanying form of proxy will be first mailed to common shareholders of the Corporation on or about March 15, 1993. Unless otherwise stated, information contained in this Information Circular is given as at February 26, 1993. The principal executive and registered office of the Corporation is located at 801 Seventh Avenue S.W., Calgary, Alberta T2P 2N6, and its telephone number is (403) 290-6000.

All dollar figures used herein are in Canadian dollars unless otherwise indicated. On March 5, 1993 the Bank of Canada noon rate for U.S. dollars was reported as Cdn. $1.00 = U.S. $0.8017.

REVOCABILITY OF PROXY

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney authorized in writing and deposited either at the registered office of the Corporation at 801 Seventh Avenue S.W., Calgary, Alberta, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

PERSONS MAKING THE SOLICITATION

This solicitation of proxies is made by and on behalf of the Board of Directors and the management of the Corporation and the costs thereof will be borne by the Corporation. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited by personal interviews, telephone or other telecommunication device, by Directors, officers and employees of the Corporation, who will not be specifically

remunerated therefor. In addition, the Corporation has retained The Proxy Solicitation Company Ltd., 55 University Avenue, Suite 1705, Toronto, Ontario M5J 2H7, at a fee of approximately $10,000 plus out-of-pocket expenses, and Georgeson & Company Inc., Wall Street Plaza, New York, New York 10005, at a fee of approximately U.S. $9,000 plus out-of-pocket expenses, to aid in the solicitation of proxies from individual and institutional investors in Canada and the United States, respectively.

No person is authorized to give any information or to make any representations other than as contained in this Information Circular and, if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

EXERCISE OF DISCRETION

The common shares of the Corporation (the "Common Shares") represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the holder thereof. **In the absence of such specification, the proxy will be voted for the election of each of the Directors named for the term specified on the form of proxy and for the appointment of Ernst & Young as Auditors and the authorization of the Directors to fix their remuneration as such.** The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Annual Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this Information Circular the Board of Directors and the management of the Corporation know of no such amendment, variation or other matter.

COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

As of February 26, 1993, the Corporation had outstanding 406,501,426 Common Shares. Each Common Share confers upon the holder thereof the right to one vote on a ballot, if called, on each matter that may properly be brought before the Meeting, except that the NOVA Corporation of Alberta Act (the "NOVA Act") provides that no person alone or in concert with others may vote more than 15% of the outstanding voting shares.

The close of business on March 10, 1993 is the record date for the determination of holders of Common Shares entitled to notice of, and to attend and vote at, the Meeting. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

The representation in person or by proxy of at least 10% of the outstanding Common Shares is necessary to provide a quorum at the Meeting. Directors are elected by a plurality of the affirmative votes cast. A majority of the Common Shares represented at the Meeting is required for approval of the appointment of Ernst & Young.

As at February 26, 1993, no person or company, to the knowledge of the directors or senior officers of the Corporation, beneficially owned, directly or indirectly, Common Shares carrying more than 5% of the voting rights attached to all outstanding Common Shares of the Corporation other than as indicated in the following table:

Title and Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Shares	Province of Alberta 9515 - 107 Street Edmonton, Alberta	Sole voting and dispositive power over 22,115,090 Common Shares (1)	5.26% (1)

Note:

(1) Includes and is calculated including 14,018,692 Common Shares of which the Province of Alberta Heritage Savings Trust Fund could become the beneficial owner on conversion of the 1987 Adjustable Rate Convertible Subordinated Debentures of the Corporation.

ELECTION OF DIRECTORS

The NOVA Act provides for a Board of Directors consisting of a minimum of 15 Directors and a maximum of 20 Directors. The number of Directors presently in office is 18, including those appointed by the Lieutenant Governor in Council as described below. The information given herein with respect to each of the Directors is based upon information furnished to the Corporation by each Director.

Beneficial Ownership of Securities

The table below sets forth as at February 26, 1993 information with respect to voting securities of the Corporation beneficially owned, directly or indirectly, or controlled or directed, by each Director of the Corporation and by all Directors and officers of the Corporation, as a group, as provided to the Corporation by such persons.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1) (2)	Title of Class
John Black Aird, O.C., Q.C.	5,000 (3)	Common Shares
Dr. Frank Peter Boer	2,500	Common Shares
Ronald Borden Coleman	3,000 (4)	Common Shares
William Harold Comrie	10,000 (4) (5)	Common Shares
Sir Judson Graham Day	2,699 (5)	Common Shares
Willard Zebedee Estey, C.C., Q.C.	1,225	Common Shares
Richard Francis Haskayne, F.C.A.	50,000 (6)	Common Shares
John Joseph Healy	1,560 (4)	Common Shares
Harley Norman Hotchkiss	15,000 (4)	Common Shares
William Norman Kissick	2,000	Common Shares
John Morrison MacLeod	1,000	Common Shares
Harold Phillip Milavsky, F.C.A.	12,240 (4) (5)	Common Shares
James Malcolm Edward Newall	1,232,305 (6)	Common Shares
Dr. Nicholas Pappas	2,500	Common Shares
Robert Lorne Pierce, Q.C.	1,062,031 (5) (6)	Common Shares
Janice Gaye Rennie	2,950 (4)	Common Shares
Cedric Elmer Ritchie	2,200 (5) (7)	Common Shares
Daryl Kenneth Seaman	148,661	Common Shares
All Directors and officers as a group (30 persons, including those listed herein)	4,616,094 (6)	Common Shares

Notes:

(1) Other than as described in notes (3) and (6) below, these shares are subject to the sole voting and investment power of their beneficial owners.

(2) Each Director's holdings represents less than one percent of the outstanding Common Shares and all Directors and officers of the Corporation, as a group, hold approximately 1.14% of the outstanding Common Shares.

(3) These 5,000 Common Shares are held in trust for the spouse of the Hon. J. B. Aird. The Hon. J. B. Aird exercises sole voting power over these shares but disclaims beneficial ownership thereof.

(4) The trust funds associated with the Corporation's pension plans are administered by the Audit and Finance Committee, composed of Ms. Rennie and Messrs. Coleman, Comrie, Healy, Hotchkiss and Milavsky. The foregoing information regarding the beneficial ownership of Common Shares by each Director does not include an aggregate of 417,005 Common Shares held by the trustee for such pension plans and over which the Audit and Finance Committee has assumed no investment or voting control. The foregoing information does not include 25,005 Common Shares held by the pension plan of Foothills Pipe Lines Ltd.

(5) Excludes for Messrs. Comrie, Milavsky, Pierce and Ritchie and for Sir Graham Day, each of whom may be deemed to have, but disclaims, beneficial ownership of: 100; 150; 2,100; 695,120; and 841 Common Shares, respectively. The 100 Common Shares for Mr. Comrie are held by his daughter, who resides in the same residence as Mr. Comrie. The 150 Common Shares for Mr. Milavsky are held by his two daughters, who do not reside in the same residence as Mr. Milavsky. The 2,100 Common Shares for Mr. Pierce are held between his brother and sister-in-law, neither of whom resides in the same residence as Mr. Pierce. The 695,120 Common Shares for Mr. Ritchie are held as to 120 by his spouse, as to 495,000 by The Bank of Nova Scotia of which he is chairman of the board and of the executive committee and as to 200,000 by that bank's pension fund of which he is one of 13 co-trustees. The 841 Common Shares for Sir Graham Day are held by his spouse. The foregoing respective associates and family of Messrs. Comrie, Milavsky, Pierce and Ritchie and of Sir Graham Day exercise sole voting and investment power over such Common Shares.

(6) Includes for Messrs. Haskayne, Newall, Pierce and 12 other officers: 30,000; 1,129,000; 982,750; and 1,830,875 Common Shares, respectively, which may be acquired pursuant to options exercisable within 60 days of February 26, 1993, which options were issued to such persons pursuant to the Employee Incentive Stock Option Plan (1982) (the "Option Plan").

(7) 1,200 of the 2,200 Common Shares shown for Mr. Ritchie are held by an estate of which he is executor; as executor he has sole voting and dispositive power over these Common Shares.

Committees and Meetings of the Board of Directors

The Board of Directors of the Corporation has a Human Resources Committee, an Audit and Finance Committee, a Public Policy, Risk and Environment Committee and a Nominating Committee.

The Human Resources Committee of the Board of Directors reviews recommendations for the appointment of persons to senior executive positions, considers terms of employment including succession planning and matters of compensation, recommends awards under the Option Plan and is responsible for the proper and orderly administration of the Corporation's savings and profit sharing plans and pension plans, other than matters relating to the funding and investment of the plans' trust funds. The Human Resources Committee is composed of Messrs. Estey, Haskayne (Chairman), Hotchkiss, Kissick, MacLeod, Ritchie and Seaman, Drs. Boer and Pappas and Sir Graham Day.

The Audit and Finance Committee of the Board of Directors meets with the Auditors, internal auditors and senior executives of the Corporation to review and inquire into matters affecting the financial reporting of the Corporation, approves the issuance of debt securities, recommends to the Board of Directors the Auditors to be appointed, is responsible for the proper and orderly funding and administration of the trust funds associated with the Corporation's savings and profit sharing plans and pension plans and reviews with management and reports to the Board, on an annual basis, on the financial plans and objectives of the Corporation. The Audit and Finance Committee is composed of Ms. Rennie and Messrs. Coleman, Comrie, Healy, Hotchkiss (Chairman) and Milavsky.

The Public Policy, Risk and Environment Committee of the Board of Directors is responsible for overseeing environment, occupational health and safety policy, corporate contributions, government relations and the Corporation's role with special interest groups. This committee is composed of Ms. Rennie, Messrs. Aird, Coleman, Comrie, Healy, Kissick, MacLeod, Milavsky (Chairman), Newall, Pierce and Ritchie, and Drs. Boer and Pappas.

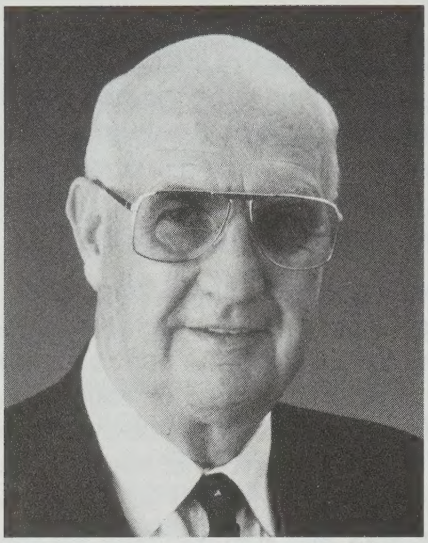
The Nominating Committee of the Board of Directors is responsible for the composition and compensation of the Board of Directors and recommends to the Board nominees for election or appointment to the Board, as the case may be. The Nominating Committee is composed of Messrs. Aird, Estey, Haskayne (Chairman), Newall, Pierce and Seaman and Sir Graham Day.

During the last fiscal year, January 1, 1992 to December 31, 1992, the Board of Directors of the Corporation held nine meetings including regularly scheduled and special meetings, the Human Resources Committee held five meetings, the Audit and Finance Committee held 12 meetings, the Public Policy, Risk and Environment Committee held one meeting and the Nominating Committee held two meetings. Each of Mr. Aird, Sir Graham Day and Dr. Pappas attended fewer than 75% of the aggregate of (a) the total number of meetings of the Board of Directors; and (b) the total number of meetings held by all committees of the Board on which he served.

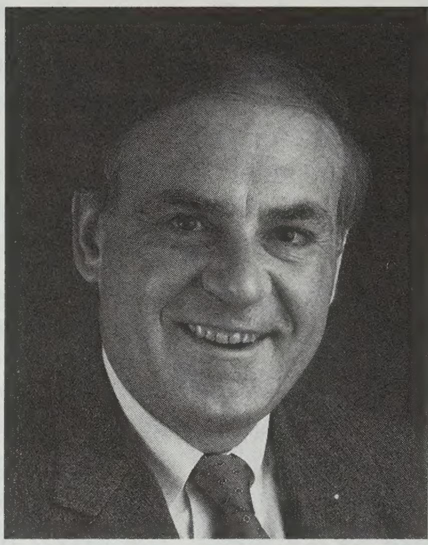
Directors of the Corporation and Nominees for Election as Directors

In accordance with the NOVA Act, the Articles of Continuance and the General By-law of the Corporation, the Board of Directors has determined that 13 Directors are to be elected at the Meeting by the holders of Common Shares. The term of office proposed for each nominee for election as Director is a term of one year expiring at the Corporation's 1994 annual meeting or until successors are earlier elected or appointed. The nominees are J. B. Aird, F. P. Boer, R. B. Coleman, J. G. Day, R. F. Haskayne, H. N. Hotchkiss, W. N. Kissick, J. M. MacLeod, J. E. Newall, N. Pappas, R. L. Pierce, J. G. Rennie and C. E. Ritchie.

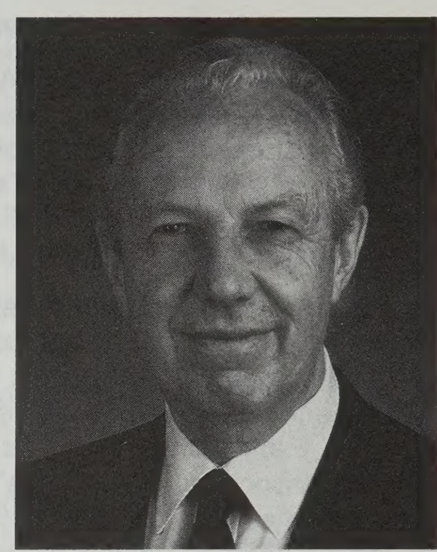
Each person nominated for election as a Director at the Meeting is currently a Director of the Corporation. Set forth hereafter in alphabetical order is the principal occupation (including all positions currently held with the Corporation) of each person who is a Director of the Corporation on the date hereof, the period during which each has served as a Director of the Corporation and certain other directorships held by each such Director. Each such Director has held his or her present principal occupation or executive position with the same or associated firms for the past five years except as set forth below. Proxies in favour of the persons named in the accompanying form of proxy will be voted in favour of the election for a one year term of each of the 13 persons named in the proxy as nominees. The Board of Directors and management do not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.



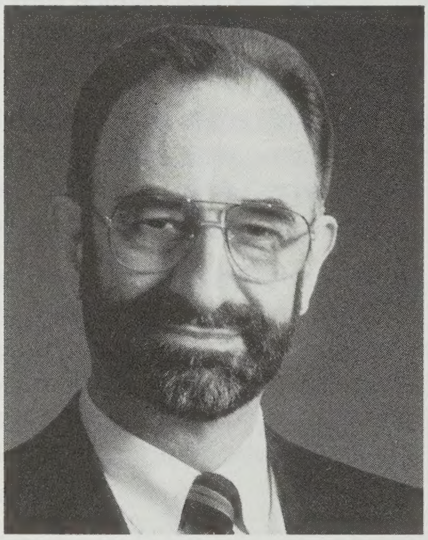
Hon. John B. Aird, O.C., Q.C. has been a Director of the Corporation since August 26, 1988. He is Honorary Chairman and Senior Partner in the law firm Aird & Berlis in Toronto, Ontario, where he resides. He is Chancellor Emeritus of the University of Toronto and Third Visitor, Massey College, University of Toronto, and between 1980-1985 he served as the Lieutenant Governor of the Province of Ontario. The Hon. J. B. Aird is Chairman Emeritus of The Canadian Institute for Advanced Research, Honorary Chairman of the Board of The Consumers' Gas Company Ltd., a gas utility company, Honorary Chairman of the Board of Algoma Central Corporation, Vice-Chairman of the Board of Power Corporation of Canada, and also serves on the Boards of Economic Investment Trust Limited, INCO Limited, The Molson Companies Limited, Reed Stenhouse Companies Limited, Mercedes-Benz Canada Inc., Rosseau Management Limited and Sherwood Inn, Limited.



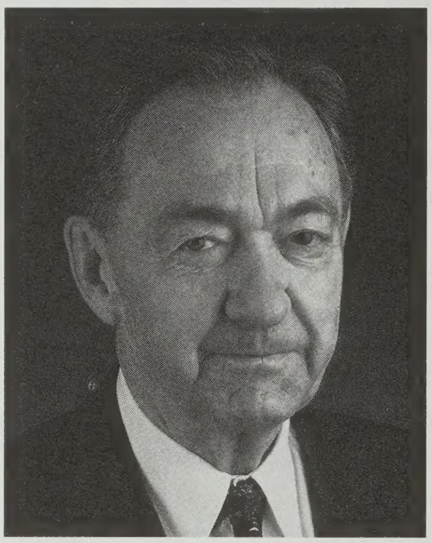
Dr. F. Peter Boer has been a Director of the Corporation since February 21, 1991 and resides in Village of Golf, Florida. He is Executive Vice President and Chief Technical Officer of W. R. Grace & Co. with responsibilities for research and development, engineering, business development, environmental, health and safety. Prior to January 1989 he was Senior Vice President of that company. He is Chairman of the National Medal of Technology Evaluation Committee in the United States Department of Commerce and serves on The Clean Air Act Advisory Committee of the Environmental Protection Agency and on the National Science Resource Board. He is affiliated with advisory committees at Princeton University, the University of Chicago and Texas A&M University. Dr. Boer is immediate past-president of the Industrial Research Institute, an organization of over 260 technically based companies in the United States and Canada. He holds an AB in Physics from Princeton University and a PhD in Chemical Physics from Harvard University and is the author of over 100 publications.



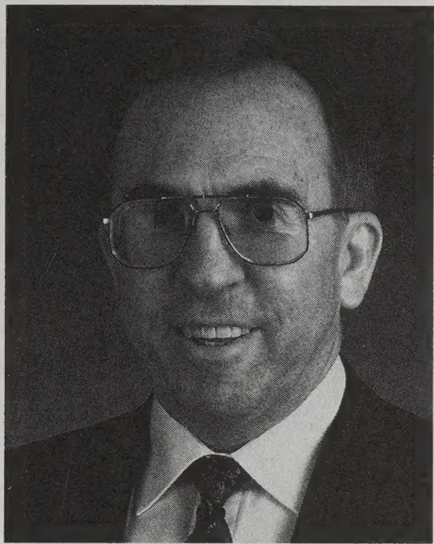
Ronald B. Coleman has been a Director of the Corporation since June 18, 1987. He resides in the City of Calgary and is President of R. B. Coleman Consulting Co. Ltd. and of Dominion Equity Resource Fund Inc., companies engaged in oil and gas activities. He also is a director of Dominion Equity Resource Fund Inc. and serves on the Boards of Dominion Explorers Inc., Landmark Corporation, The Maritime Life Assurance Company and Nova Scotia Resources Ltd.



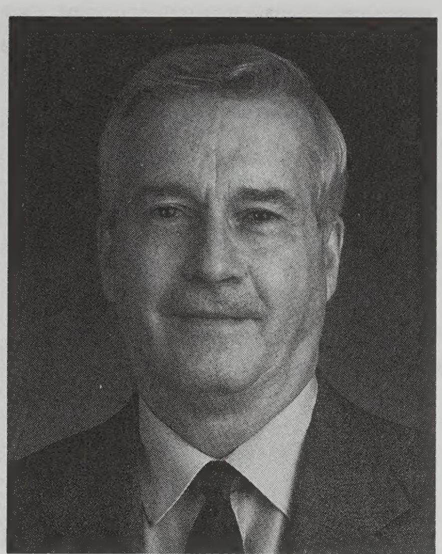
Sir J. Graham Day has been a Director of the Corporation since October 26, 1990. He resides in London, England and is Chairman of the Board of Cadbury Schweppes plc, a manufacturer of beverages and confectionery, and of Powergen plc, an electrical power generating company. Prior to April 1992 he was Chairman of the Board of British Aerospace plc, a company involved in defense industries and the manufacture of civil aircraft and automobiles. Prior to October 1991 he was Chairman of the Board of Rover Group Holdings plc, a company engaged in the manufacture and sale of automobiles and prior to January 1989 he was Chairman and Chief Executive Officer of that company. He is Chairman of the Board of Crombie Insurance Company (U.K.) Ltd., Deputy Chairman of the Board of MAI plc and Deputy Chairman of the Supervisory Board of DAF nv. He also serves on the Boards of Altnacraig Shipping plc, British Aerospace plc, Crownx Inc., Jebsens Thun Shipping (Luxembourg) SA, The Bank of Nova Scotia, The Laird Group plc, Thorn-Emi plc, Empire Company Limited and Meridian Broadcasting Limited.



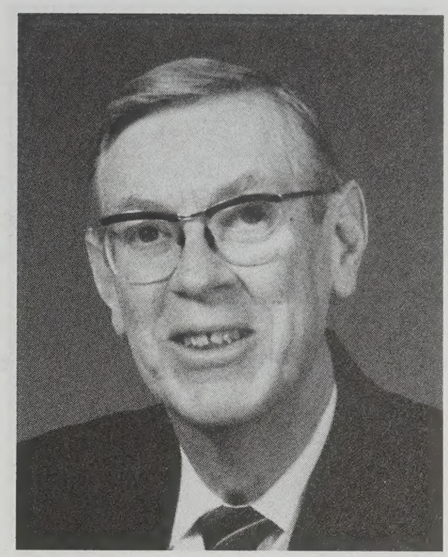
Hon. Willard Z. Estey, C.C., Q.C. has been a Director of the Corporation since August 26, 1988. He resides in Toronto, Ontario and is Counsel to the law firm of McCarthy Tétrault. Prior to April 1988 he was a Justice of the Supreme Court of Canada. He also serves on the Boards of The Mortgage Insurance Company of Canada, Bramalea Limited, Potash Corporation of Saskatchewan Inc., CanWest Global Communications Corp. and CamVec Corporation and is Special Advisor to the Chairman of The Bank of Nova Scotia. In 1990 he was appointed Chancellor of Wilfrid Laurier University, Waterloo, Ontario. Mr. Estey has advised the Board that he will not be standing for re-election at the Meeting.



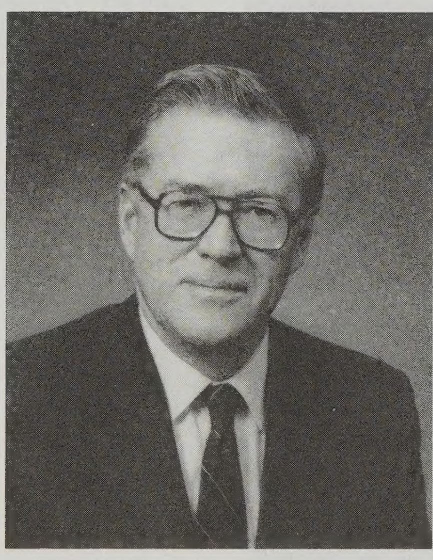
Richard F. Haskayne, F.C.A. has been a Director of the Corporation since May 2, 1991 and Chairman of the Board since April 21, 1992. Prior to April 1992 he was Special Advisor to the Board of Directors of the Corporation. He resides in the City of Calgary. Prior to April 1991 he was Chairman, President and Chief Executive Officer of Interhome Energy Ltd. He is also a director of the Canadian Imperial Bank of Commerce, Fording Coal Limited, Manufacturers Life Insurance Company, TransAlta Corporation, Alberta Energy Company Ltd., Crestar Energy Inc. and certain subsidiaries and affiliates of the Corporation and is Chairman of the Board of Governors of the University of Calgary.



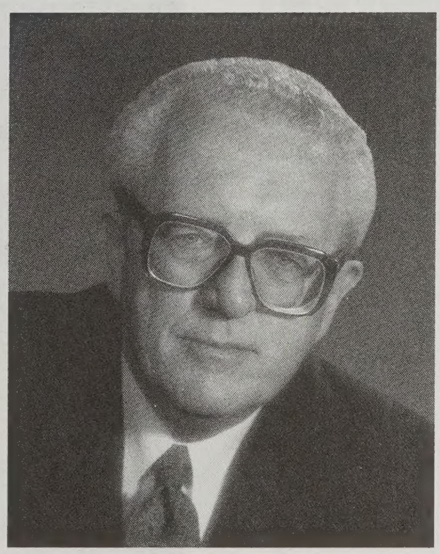
Harley N. Hotchkiss has been a Director of the Corporation since May 11, 1979. He resides in the City of Calgary and is President and a director of Spartan Resources Ltd., Spartan Resources Inc. and other private companies investing in oil and gas, real estate and agriculture. He is President and a director of Riverbend Farms (Ontario) Ltd. and Colony Developments Ltd. Prior to June 1988 he was President of Harman Resources Ltd. He also serves on the Boards of Conwest Exploration Company Limited, the Calgary Flames Hockey Club Ltd., Paragon Petroleum Corporation, Telus Corporation and CFCP Resources Inc.



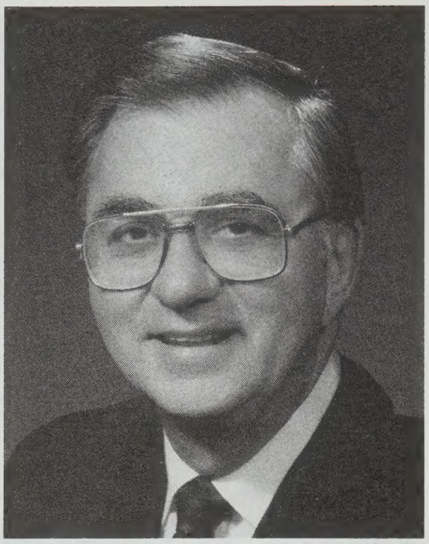
W. Norman Kissick, retired, has been a Director of the Corporation since February 28, 1992 and resides in Agincourt, Ontario. Prior to May 1991 he was Chairman and Chief Executive Officer of Union Carbide Canada Ltd., a company involved in diversified manufacturing. Mr. Kissick serves on the Boards of Canadian Pacific Forest Products Ltd. and the Toronto-Dominion Bank.



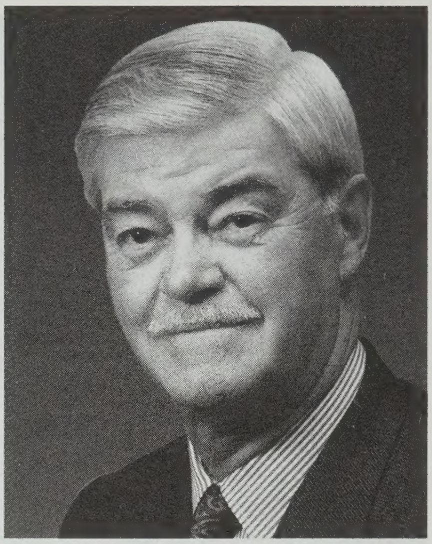
J. M. (Jack) MacLeod has been a Director of the Corporation since February 26, 1993. He resides in the City of Calgary. Prior to February 1993 he was President and Chief Executive Officer of Shell Canada Limited, an integrated oil and gas company. He is a director of Trimac Limited, Saskatchewan Oil & Gas Corporation, the Council for Business and the Arts in Canada, the C. D. Howe Institute, Foothills Hospital Foundation Board and The Van Horne Institute, a public director of the Investment Dealers Association, advisor to Alberta Northeast Gas Limited, director and chairman of Learning for a Sustainable Future, a member of Corporate Higher Education Forum and a member and member of the executive of the National Roundtable on the Environment and the Economy.



J. E. (Ted) Newall has been a Director of the Corporation since August 13, 1991. He is President and Chief Executive Officer of the Corporation and he resides in the City of Calgary. Prior to September 1991 he was Chairman and Chief Executive Officer of DuPont Canada Inc. and Senior Vice President, Agricultural Products, of E.I. du Pont de Nemours & Co. Prior to November 1990 he was Chairman and Chief Executive Officer of DuPont Canada Inc. and Group Vice President, International, of E.I. du Pont de Nemours & Co. and prior to November 1989 he was Chairman, President and Chief Executive Officer of DuPont Canada Inc. He is also a director of BCE Inc., The Molson Companies Limited, Alcan Aluminium Limitée, Pratt & Whitney Canada Inc., the Royal Bank of Canada and certain subsidiaries and affiliates of the Corporation.



Dr. Nicholas Pappas has been a Director of the Corporation since February 28, 1992 and resides in Centerville, Delaware. Dr. Pappas is President and Chief Operating Officer of Rollins Environmental Services, Inc., a company involved in hazardous waste treatment and management. Prior to June 1991 he was retired, prior to January 1991 he was Executive Vice President of E.I. du Pont de Nemours & Co. and prior to June 1988 he was Group Vice President, Polymer Products, of that company. Dr. Pappas also is a member of the Boards of Medical Center of Delaware, Chemfab Corp. and Yenkin-Majestic Corp., a member of the Board of Trustees of the Delaware Art Museum, and a member of American Men of Science, Sigma Xi and Alpha Chi Sigma.



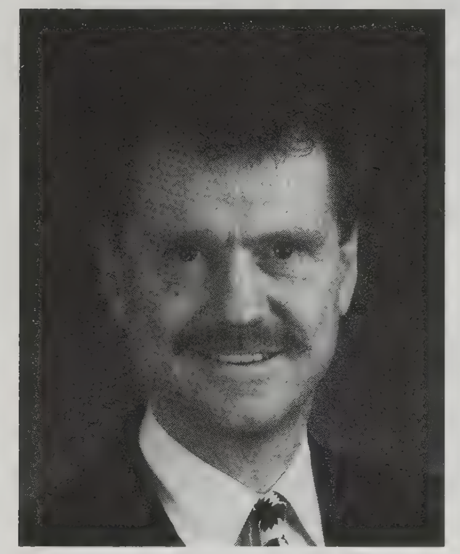
Robert L. Pierce, Q.C. was appointed a Senior Vice President of the Corporation on December 13, 1991 and has been a Director of the Corporation since May 13, 1977. Prior to April 1988 he was the President of the Corporation. He resides in the City of Calgary. He also serves on the Boards of The Bank of Nova Scotia, Interstate Natural Gas Association of America, Canadian Chamber of Commerce, Investment Corporation of Saskatchewan and certain subsidiaries and affiliates of the Corporation.

Janice G. Rennie has been a Director of the Corporation since April 23, 1991 and resides in the City of Edmonton. She is President, Prairie and Northwest Territories Region, of Princeton Developments Ltd., a commercial real estate developer. Prior to January 1992 she was Vice President and prior to June 1990 she was Vice President and Treasurer of that company. She is also President of Bellanca Developments Ltd. In January 1993 she was appointed to the Audit Committee of the Province of Alberta.

Cedric E. Ritchie has been a Director of the Corporation since February 28, 1992. He is Chairman of the Board and Chairman of the Executive Committee of the Board of The Bank of Nova Scotia, a Canadian chartered bank, and various of its subsidiaries and affiliates and prior to February 1993 he was also Chief Executive Officer of that bank. He resides in Don Mills, Ontario. Mr. Ritchie serves on the Boards of Banco Sud Americano, BNS International (Hong Kong) Limited, Boracay Limited, The Canada Life Assurance Company, Grupo Financiero Inverlat, S.A., Ingersoll-Rand Company, International Monetary Conference, Maduro & Curiel's Bank N.V., Mercedes-Benz Canada Inc., Minorco, Moore Corporation Limited, Multibanco Comermex, The Nova Scotia Corporation, Pacific Basin Economic Council, Canadian Committee, Poonpipat Finance & Securities Co. Ltd. and Solidbank Corporation. He is also Chairman of the Canada-Philippines Council and the Canadian Business Committee on Jamaica and President, member and Trustee of The Spencer Hall Foundation.

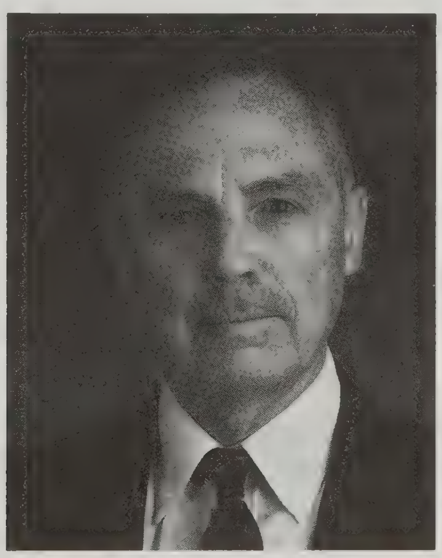
Directors Appointed by the Lieutenant Governor in Council

The NOVA Act provides that four Directors of the Corporation must be residents of Alberta appointed by the Lieutenant Governor in Council of Alberta to hold office as Directors for the respective terms specified by the Lieutenant Governor in Council. The Directors presently in office who have been appointed by the Lieutenant Governor in Council are named immediately below. Also set forth below is the principal occupation of each such Director, the period during which each has served as a Director of the Corporation and certain other directorships held by each Director. Each such Director has held his present principal occupation or executive position with the same or associated firms for the past five years except as set forth below. The terms of appointment of Harold P. Milavsky and Daryl K. Seaman will expire at the termination of the annual meeting in 1994. The terms of appointment of William H. Comrie and J. Joseph Healy will expire at the termination of the 1995 annual meeting.



William H. Comrie has been a Director of the Corporation since May 1, 1986. He resides in the City of Edmonton and is Chairman of The Brick Warehouse Corporation, a company engaged in the retail marketing of furniture, appliances and electronics. Until September 1991 he was also Chief Executive Officer of that company. He is also the owner of the B.C. Lions Football Team.

J. Joseph Healy has been a Director of the Corporation since April 19, 1977. He resides in the City of Edmonton and is the President of Healy Motors Limited, a company engaged in transportation. He also serves on the Boards of Healy Truck & Body Centre Ltd., Car Leasing (Alberta) Ltd. and Burnside Holdings Ltd.



Daryl K. (Doc) Seaman has been a Director of the Corporation since April 9, 1973 and was Chairman of the Board of the Corporation from September 1991 to April 1992. He resides in the City of Calgary and is Chairman of DOX Investments Inc., a company engaged in natural resource exploration and development. Prior to May 1991 he was Chairman and Chief Executive Officer of Bow Valley Industries Ltd. and prior to January 1988, he was Chairman, President and Chief Executive Officer of that company. He also serves on the Boards of Lakeside Farm Industries, Trimac Limited, Vencap Equities Alberta Ltd., Renaissance Energy Ltd., Encal Energy Ltd., the Calgary Flames Hockey Club Ltd., the OH Ranch Ltd., Potash Corporation of Saskatchewan Inc. and certain subsidiaries and affiliates of the Corporation. He is Advisor to the Chairman and the Board of Canadian 88 Energy Corporation and is Chairman of the Western Heritage Centre Society.

Harold P. Milavsky, F.C.A. has been a Director of the Corporation since April 26, 1988. He resides in the City of Calgary and is Chairman of Trizec Corporation Ltd., a company engaged in development and management of commercial income properties. He is Chairman of the Board of Carena Developments Ltd. and Bowtex Energy (Canada) Corporation and also serves on the Canadian Boards of Amoco Canada Petroleum Company Ltd., Bramalea Limited, Brascan Limited, Coscan Development Corporation, Hees International, London Insurance Group and the London Life Insurance Company, Saskatchewan Oil & Gas Corporation and Telus Corporation. Mr. Milavsky is also a director of a U.S. company, Ernest W. Hahn Inc.

EXECUTIVE OFFICERS

The table below shows the name, positions held with the Corporation and principal occupations within the last five years of each executive officer of the Corporation. Unless otherwise noted, all positions listed in the table below are with the Corporation. Officers are appointed by the Board of Directors from time to time and serve at the discretion of the Board of Directors.

Name	Position with the Corporation	Principal Occupations and Positions During Last Five Years
James Malcolm Edward Newall	President and Chief Executive Officer	Prior to September 1991, Chairman and Chief Executive Officer of DuPont Canada Inc. and Senior Vice President, Agricultural Products, of E.I. du Pont de Nemours & Co.; prior to November 1990, Chairman and Chief Executive Officer of DuPont Canada Inc. and Group Vice President, International, of E.I. du Pont de Nemours & Co.; prior to November 1989, Chairman, President and Chief Executive Officer of DuPont Canada Inc.
Robert Lorne Pierce, Q.C.	Senior Vice President	Prior to his December 1991 appointment as Senior Vice President he was, and continues to be, a Director of the Corporation and an executive of certain subsidiaries and affiliates of the Corporation; prior to April 1988, President of the Corporation
John Edwin Feick	Senior Vice President	Prior to April 1988, President of Novacor Chemicals Ltd.
Bruce Wayne Simpson	Senior Vice President	Senior Vice President of the Corporation
Pierre Choquette	Senior Vice President	Prior to October 1988, President, Polymers Division, Polysar Limited; prior to March 1988, Group Vice President, Rubber, Polysar Limited
Clarence Kent Jespersen	Senior Vice President, Corporate Development	Prior to June 1992, President of Foothills Pipe Lines Ltd.
Donald Gene Olafson	Senior Vice President, Pipeline Development	Prior to October 1988, Division Senior Vice President, Alberta Gas Transmission Division of the Corporation and President, Novacorp International Consulting Inc.
Richard Charles Milner	Vice President and Treasurer	Prior to October 1988, Vice President, Treasurer and Corporate Secretary of the Corporation
Jack Stephen Mustoe	Vice President, General Counsel and Corporate Secretary	Prior to October 1988, Vice President and General Counsel of the Corporation; prior to May 1988, Assistant General Counsel, Norcen Energy Resources Limited

Name	Position with the Corporation	Principal Occupations and Positions During Last Five Years
Brian Franklin Olson	Vice President, Human Resources	Prior to October 1988, Corporate Vice President of the Corporation
Albert Terence Poole	Vice President and Controller	Prior to March 1988, Vice President of Phillips Cables Ltd.

STATEMENT OF EXECUTIVE COMPENSATION

Report of the Human Resources Committee

The Human Resources Committee of the Board of Directors, which is composed of independent members of the Board (see "Committees and Meetings of the Board of Directors"), is responsible for the overall executive compensation strategy of the Corporation and the on-going monitoring of the strategy's implementation. It is the Human Resources Committee's mandate to investigate these matters and make recommendations to the Board, which is the final arbiter. In that connection the Chairman of the Committee has direct access to the Corporation's external compensation policy advisors. In 1992 the Corporation had 11 executive officers, including the President and Chief Executive Officer.

The Corporation's executive compensation policies are designed to provide competitive levels of compensation that integrate pay with the Corporation's annual and long-term performance goals, reward above-average corporate and business unit performance, recognize individual initiative and achievements and assist the Corporation in attracting and retaining qualified executives.

The major elements of the executive compensation program are base salary, non-cash compensation, annual incentives and stock options. The Human Resources Committee annually monitors comparative remuneration data. Target levels of overall compensation are intended to be at the average of other large Canadian industrial organizations. In any particular year the Corporation's executive officers may be paid more or less than executive officers at comparator organizations, depending on the Corporation's performance.

Base Salaries

Base salaries for all executive officers and all other salaried employees are paid within salary ranges established for each position. The Corporation's salary ranges are determined through annual comparative salary surveys of large Canadian industrial organizations, and are set at approximately the average of the surveyed group. Each executive officer's salary is based on an annual assessment of that officer's contribution to the Corporation's results.

No executive officer received a salary increase in 1992; this salary freeze was implemented due to weak corporate performance in 1991. In early 1993 executive officers' salary levels were reviewed in light of industry trends and comparative salary levels, as part of the Corporation's annual salary review, and modest increases were made to be effective April 1, 1993.

Non-cash Compensation

Non-cash compensation includes employee benefits, perquisites and vacations. The Corporation's non-cash compensation programs are designed to produce an overall position which approximates the average of large Canadian industrial organizations. The Corporation's positioning in non-cash compensation is monitored annually.

Annual Incentive

The Management Incentive Plan provides for annual cash awards based on corporate and business unit performance and individual contribution to the Corporation's results.

Corporate performance is based on the achievement of consolidated net income goals. Business unit performance is based on the achievement of a set of objectives, generally divided between 50% for financial

objectives and 50% for other objectives such as improvement in environment, health and safety performance or in customer service. Individual contribution is based upon the achievement of agreed upon specific objectives.

Target payout levels for achieving all of these objectives reflect a competitive level of incentive which is approximately the average of large Canadian industrial organizations.

No Management Incentive Plan awards were made for 1991 performance. Because profit, business contribution and operational goals were exceeded in 1992, awards above the target level have been made for 1992 performance.

Stock Options

The Option Plan is designed to provide incentive for long-term accomplishment, based on increases in shareholder value.

The number of options granted to each executive officer is determined by a formula based on base salary and level of responsibility, adjusted by relative performance. The option grants made in 1993 reflect competitive practice.

BY THE HUMAN RESOURCES COMMITTEE

R. F. Haskayne (Chairman)	*W. N. Kissick*
F. P. Boer	*J. M. MacLeod*
Sir Graham Day	*N. Pappas*
W. Z. Estey	*C. E. Ritchie*
H. N. Hotchkiss	*D. K. Seaman*

Cash Compensation

The aggregate cash compensation paid by the Corporation and its subsidiaries for services rendered during 1992 to all executive officers of the Corporation as a group (11 persons) was $4,211,760. This amount:

(a) includes amounts paid by the Corporation to each executive officer under the Corporation's Savings and Profit Sharing Plan, which is available on the same terms, scope and operation to all employees of the Corporation other than those covered by collective bargaining agreements; and

(b) includes amounts paid to executive officers in 1993 under the Management Incentive Plan for services rendered in 1992.

Executive officers receive no directors' fees for service on the Board of Directors of the Corporation or those of its subsidiaries or affiliates.

Plans

Management Incentive Plan

In late 1992 the Corporation revised its Management Incentive Plan. Prior to that a management incentive plan existed to provide incentive to achieve corporate and business objectives. Under the revised Management Incentive Plan, the Human Resources Committee of the Board of Directors administers the granting of cash incentive payments to employees at and above a specified level of responsibility, including executive officers but excluding the President and Chief Executive Officer and the Senior Vice Presidents. With respect to incentives granted to these officers, the Board of Directors considers the recommendations of the Human Resources Committee. The incentive payments are determined on an individual basis based on achievement in the prior fiscal year. The Human Resources Committee considers the recommendations of the President and Chief Executive Officer and determines all incentives granted under the plan other than for the President and Chief Executive Officer and the Senior Vice Presidents. The Board of Directors, on the recommendation of the Human Resources Committee, determines incentives granted under the plan to those officers. The Human Resources Committee also has responsibility for decisions upon any question concerning the administration or interpretation of the plan.

A target incentive amount, based on each participant's level of responsibility, is set and communicated to each participant annually. The actual incentive amount paid each year, if any, is determined by a formula pursuant to which the target amount is weighted and adjusted with reference to three criteria: (a) the performance of the Corporation based on the Corporation's profitability objectives; (b) the performance of the appropriate business of the Corporation, where applicable, based on specific financial and operational objectives of the business; and (c) the performance of each individual participant based on specific objectives supportive of his or her performance within the business.

If minimum targeted performance levels are not reached, no incentive is payable. If fully satisfactory performance levels are reached, the target incentive amount is payable. Provision is made in the plan to pay incentives in excess of the target amount, to a maximum established by the Board, if performance in a year is exceptional. The factor by which the incentive amount is calculated is pro-rated between these limits depending on actual performance under each of the three criteria.

The Human Resources Committee also has a discretionary power to recognize, with an incentive payment, outstanding individual contributions of any employee in circumstances where such an amount would not be payable under the usual mechanics of the plan.

No incentives were paid in 1992 under the Management Incentive Plan for services rendered in 1991. Incentives payable under the Management Incentive Plan in 1993 for services rendered in 1992 are disclosed above under "Cash Compensation".

Supplemental Pension Agreements

The Corporation's pension plan benefits are subject to maximum annual benefit accruals of $1,722.22 per year of credited service or to any greater maximum which may be provided for in the Income Tax Act (Canada) from time to time. The Corporation has entered into pension agreements with certain officers and employees which provide for supplementary pension payments, computed with reference to the earned pension under the Corporation's pension plan. These supplementary payments would be above the maximum annual benefit accrual permitted by the Corporation's pension plan and, therefore, would not be deductible for income tax purposes by the Corporation until paid to the respective officer or employee. The aggregate pension payments resulting from such agreements and the pension payments payable under the Corporation's pension plan would be generally equivalent to the benefit which is earned under the Corporation's pension plan without the maximum annual benefit described above. Although these supplemental pension agreements still exist with individual employees including executive officers, in 1992 the Corporation approved a policy to provide the same supplementary pension payments to all employees who become subject to the maximum annual benefit accrual.

In addition to the agreements and policy described above, the Corporation has entered into a supplemental pension agreement with an executive officer under which that executive officer will receive total pension benefits equal to a certain percentage of his average annual salary earned over a certain period as an officer of the Corporation, including benefits payable under the Corporation's pension plan but excluding benefits payable under the Canada Pension Plan. The future supplemental pension payments to that executive officer on his retirement from service to the Corporation calculated as at January 1, 1993 is expected to amount to $157,000 per year.

Long Term Disability

The Corporation provides executive officers with supplementary long term disability plan coverage during the second and subsequent years of a disability which prevents such executive officers from carrying out their duties. This plan supplements the coverage provided under the Corporation's long term disability plan for all employees under which an employee can elect to receive either participation in a Corporation-paid plan which provides 70% (taxable) of an employee's salary up to $10,000 per month during a disability, or the equivalent of the Corporation's premium in cash. In the event the employee elects the cash payment, he must enroll in an employee-paid plan which provides 60% (non-taxable) of an employee's salary up to $10,000 per month during a disability.

The benefit coverage under the supplementary plan provides, in addition to the benefit of the general plan elected (either 70% taxable or 60% non-taxable on the first $100,000):

50% (taxable) of salary on the second $100,000;

30% (taxable) of salary on the third $100,000;

10% (taxable) of salary on the balance of the executive officer's base salary.

During 1992 no executive officer of the Corporation became eligible for disability coverage under the Corporation's long term disability plan. No benefits are currently payable under the plan, nor will any benefits be payable under the plan in 1993, as there is a one year waiting period for benefit coverage under this plan.

Employee Incentive Stock Option Plan

The Option Plan provides that the Board of Directors may grant to officers and employees of the Corporation or its more than 50% controlled direct or indirect subsidiaries (the "Subsidiaries") options to purchase Common Shares from treasury. The number of Common Shares reserved for issuance under the Option Plan as at February 26, 1993 was 21,399,300, subject to adjustments as provided therein. All Common Shares issued upon the exercise of any option are issued as fully paid and non-assessable. The Board of Directors may also, as part of the option, grant a right to an employee to surrender all or part of his right to acquire Common Shares under such option in exchange for receiving, without any further consideration, the number of Common Shares equal to a fraction of the number of Common Shares which could have been purchased with the surrendered portion of the option, based on the ratio of the premium of the current market price over the exercise price to such market price. The Option Plan provides that the Board of Directors may, in respect of any option, specify a number or percentage of Common Shares for which the employee may exercise his option in any specific period, year or number of years.

The purpose of the Option Plan is to provide, through options to purchase Common Shares, incentive for key employees of the Corporation and its Subsidiaries to produce constant improvement in operating results, to remain as employees, to become the owners of Common Shares and to contribute to the growth in value of the Common Shares.

The number of options granted to each employee who is eligible under the Option Plan, including executive officers, is determined with reference to a sliding scale formula based on base salary and levels of responsibility and is adjusted with reference to the relative performance of such employee. The criteria used for making such adjustments in respect of grants to executive officers consists of: (a) the relative level of success or achievement of the executive officer; (b) the level of responsibility given to a newly appointed executive officer; (c) whether or not the executive officer has been given additional responsibilities; and (d) the number of shares under options then held by an executive officer. In all cases the granting of options to officers and employees is made by the Board of Directors based upon the recommendations of the Human Resources Committee (the "Committee").

Options are granted at the closing market price on The Toronto Stock Exchange on the date the grant is made by the Board of Directors.

If any options are surrendered or terminated prior to exercise, the Common Shares represented by such options become available for reallocation under the Option Plan. The Option Plan provides for an adjustment in the number of optioned Common Shares subject to outstanding options thereunder, the exercise price, the type of shares for which the options may be exercised, as well as the number of optioned shares available for grant under the Option Plan, to reflect any stock split, stock dividend or similar capital adjustment of or by the Corporation or to reflect any reorganization of the Corporation, all at the determination of the Board of Directors.

Each option terminates on the date determined by the Board of Directors (the "Expiry Date"), which date may not be more than 10 years after the date on which the option is granted. Prior to 1993 it was the policy of the Board to grant options with terms of seven years; this policy has changed and options are now granted for 10 year terms. The Expiry Date may be extended in certain circumstances as set forth in the Option Plan, including death and permanent disability. If, prior to the Expiry Date, the employment of the optionee terminates for any reason, the Committee, in its discretion but subject to regulatory approval, may waive or vary the early termination provisions of the Option Plan.

The following table shows for 11 executive officers as a group, during the period January 1, 1992 through December 31, 1992, inclusive: (a) the number of Common Shares subject to options granted by the Corporation during such period; (b) the average exercise price per Common Share for options granted during such period; and (c) the net value realized upon the exercise of options during such period. Net value realized represents the difference between the market value on the dates of exercise and related option exercise prices.

No. of Shares Subject to Options Granted from January 1, 1992 to December 31, 1992	Average Per Share Exercise Price	Net Value Realized Upon Exercise of Options
535,000	$8.419	$18,675

On February 26, 1993 the annual option grant was made by the Board of Directors and executive officers were granted an aggregate 580,500 Common Shares under options expiring on February 25, 2003 at an exercise price of $8.625. None of these options has been exercised.

Termination of Employment and Change of Control Agreements

The Corporation has agreements with two executive officers entitling them, in the event of termination of employment other than for cause, to certain payments and benefits in lieu of any rights such executive officers might otherwise have. In the case of one executive officer the payment is to equal what he would have received in salary and bonuses over the next 30 months (calculated on the basis of his salary and bonuses for the fiscal year immediately preceding his termination) together with compensation for the benefits he would have received over the next 30 months and the extension of the vesting and exercise of his existing options for 30 months. The other executive officer is entitled to such amounts and benefits as are consistent with the prevailing practice of the Corporation at the time of his termination. The Corporation has no change of control agreements.

Compensation of Directors

Each Director who is not a full-time employee of the Corporation is paid a retainer fee of $10,000 per year which is paid quarterly, an attendance fee of $1,500 for each meeting attended, except in the case of the Chairman of the Board to whom a fee of $3,000 (including the $1,500 attendence fee) is paid for each meeting attended, and a travel fee of $1,500 for one travel day prior to each meeting attended where travel is required out of province. Directors who are full-time employees of the Corporation do not receive directors' fees. Directors who are members of the Human Resources Committee, Audit and Finance Committee, Nominating Committee and Public Policy, Risk and Environment Committee, who are not full-time employees of the Corporation, are paid $1,500 for each committee meeting attended except in the case of the chairman of each such Committee, to whom a fee of $3,000 (including the $1,500 attendance fee) is paid for each meeting attended.

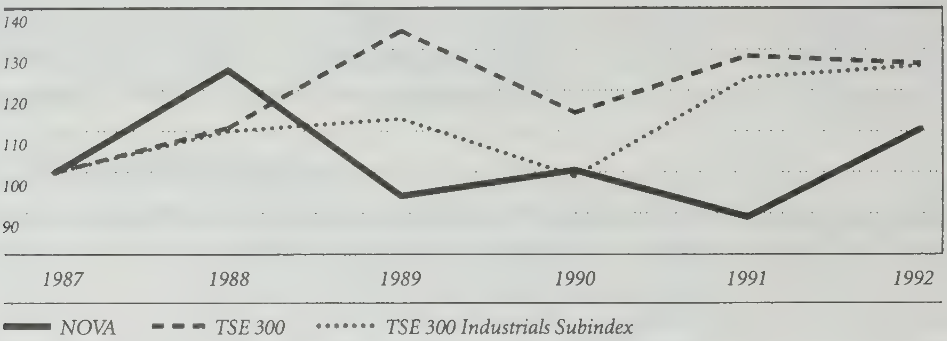
In addition, the Chairman of the Board was paid $233,333 by the Corporation in 1992. This was comprised of the balance owing to him under his consulting contract as Special Advisor to the Board, which terminated in April 1992, and eight months of a $200,000 per year consulting fee payable to him in respect of his duties as Chairman. In 1992 the Chairman was granted an option for 40,000 Common Shares at $7.63 per Common Share pursuant to the terms of the Option Plan and in February 1993 he was granted an option under the Option Plan for a further 40,000 Common Shares at $8.625 per Common Share.

Other Compensation

The aggregate value of all other non-cash compensation paid by the Corporation to its executive officers for services rendered in 1992 was approximately $109,923 and did not, in any event, exceed $25,000 per executive officer.

Total Return Performance

The following graph demonstrates a five calendar year comparison of cumulative total return (assuming reinvestment of dividends) performance based upon an initial investment of $100 invested on December 31, 1987 in NOVA Common Shares as compared with The Toronto Stock Exchange's TSE 300 Composite Index and TSE 300 Industrial Products Sub-Index.



APPOINTMENT OF AUDITORS

It is proposed that Ernst & Young, Chartered Accountants, be appointed to act as Auditors for the current year. Ernst & Young (formerly Clarkson Gordon) have served as Auditors of the Corporation since 1956. Representatives of Ernst & Young are expected to be present at the Meeting and will be given the opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions.

SHAREHOLDER PROPOSALS

Shareholder proposals to be considered at the 1994 annual meeting of shareholders of the Corporation must be received at the principal executive offices of the Corporation no later than January 24, 1994 to be included in the information circular and form of proxy for such annual meeting.

NORMAL COURSE ISSUER BID

The Toronto Stock Exchange recently accepted a Notice of Intention to make a normal course issuer bid filed by the Corporation. Under the terms of the normal course issuer bid, the Corporation may purchase, if considered advisable, up to a maximum of 2,500,000 of its 406,501,426 (as at February 26, 1993) issued and outstanding Common Shares. The purchases were permitted to commence on March 8, 1993. Any such purchases, if made, will be made in the open market through the facilities of The Toronto Stock Exchange at prevailing market prices. The normal course issuer bid will remain in effect until the earlier of March 7, 1994 or until the Corporation has purchased the maximum number of Common Shares permitted under the normal course issuer bid.

Shareholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to the Vice President, General Counsel and Corporate Secretary of the Corporation at:

NOVA Corporation of Alberta
P.O. Box 2535, Postal Station M
Calgary, Alberta
T2P 2N6

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.

By Order of the Board of Directors

(Signed) J. E. NEWALL President and Chief Executive Officer	(Signed) R. C. MILNER Vice President and Treasurer	(Signed) A. T. POOLE Vice President and Controller

Calgary, Alberta
March 15, 1993

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four

NOVA Corporation of Alberta

1993 annual report

businesses

one

vision

four businesses

Alberta gas transmission

North American gas services

International gas services

Petrochemicals

one vision

to be the best natural gas services and petrochemicals company – integrated, worldwide

contents

Shareholders are invited to attend
NOVA's annual meeting
Friday, May 6, 1994, 10:30 a.m.
Edmonton Convention Centre
Edmonton, Alberta

Our objective is to deliver well-above-average returns for our shareholders. We will produce these returns by consistently exceeding our customers' expectations. Superbly-led teams of employees, energized by an innovative work environment, will deliver exceptional value to our customers.

These principles guide our every action → We will never compromise our commitment to personal and corporate integrity, workplace health and safety, and protection of the environment. → We will concentrate on businesses of substantial size that offer growth potential and high returns. → We will compete only where we can be equal to the best. → We will deliver low-cost excellence and high productivity growth in all areas of our business. → We will maintain a conservative balance sheet.

financial highlights 1993 was a year of growth

21% increase in net income per common share

8% increase in revenue

48% increase in capital expenditures

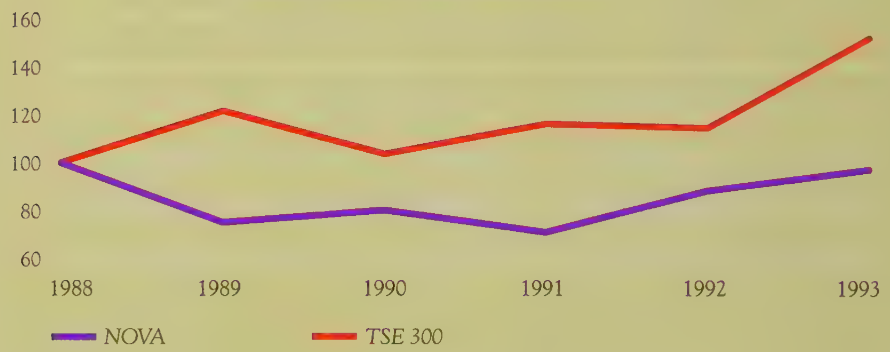
	Year Ended December 31 (millions of dollars, except for per share data and percentages)	1993	1992	1991
Income	Revenue	$ 3,274	$ 3,027	$ 3,074
	Net income from continuing operations	$ 202	$ 164	$ 46(1)
	Net income (loss) per common share	$ 0.47	$ 0.39	$ (2.99)
Cash flow	Funds from continuing operations	$ 461	$ 451	$ 223
	Capital expenditures			
	Natural gas services	$ 523	$ 451	$ 555
	Petrochemicals	$ 262	$ 79	$ 111
	Dividends paid per common share	$ 0.24	$ 0.24	$ 0.45
Financial position	Total assets	$ 6,923	$ 6,189	$ 5,802
	Common equity per share(2)	$ 5.40	$ 5.17	$ 4.45
	Equity component of non-cost-of-service capitalization	50%	57%	24%

(1) Before restructuring charge.

(2) Includes convertible debentures and warrants.

All dollar figures used in this report are quoted in Canadian dollars unless indicated otherwise.

total return performance*



**Total Return = Appreciation in share value, assuming reinvestment of dividends. Assumes $100 invested on Dec. 31, 1988 in NOVA Common Stock and the TSE 300.*

corporate highlights

→ We increased NOVA's net income from $164 million in 1992 to $202 million in 1993. Funds from operations were $461 million in 1993 compared with $451 million in 1992.

→ We devoted the energies of an outstanding team of employees to develop a new long-term strategy for NOVA. The result is our 'shared vision'. One initiative resulting from our new focus was to realign NOVA's activities under four businesses: Alberta gas transmission, North American gas services, international gas services, and petrochemicals.

→ We divested three non-strategic businesses – Grove Italia, TQM Pipeline and Novalta Resources – for proceeds of about $345 million. We reinvested in higher-potential opportunities, including Methanex Corporation and Natural Gas Clearinghouse and agreed to acquire DuPont Canada's SCLAIR® polyethylene business and technology.

→ Our Alberta gas pipeline system is growing rapidly, along with North America's appetite for natural gas. Gas deliveries were up 10.9 per cent in 1993 to 3.8 trillion cubic feet, the seventh successive year of record shipments. Rapid expansion will continue for several years.

→ We created a new business stream offering comprehensive services to the gas industry in North America. NOVA's gas services business includes our investments in Foothills Pipe Lines, Pan-Alberta Gas and Natural Gas Clearinghouse (NGC). We also created a 50/50 enterprise with NGC to offer comprehensive natural gas services to the Canadian market.

→ Novacorp International added equity investment and operational management to its original business focus of consulting and engineering. Our Malaysian technical services joint venture with Petroliam Nasional Berhad (PETRONAS) prospered in its first year, as did our Argentine pipeline investment.

→ We grew the net income from petrochemicals, despite continuing depressed conditions in the global petrochemicals industry. We are re-engineering this business from the bottom up, simplifying every process. Focused capital investments are delivering low-cost additions to capacity.

→ Our Alberta gas pipeline and our petrochemicals business achieved top-quartile lost-time injury safety performance in their respective industries.

→ There were two major negative developments in 1993. First, the Alberta Public Utilities Board reduced the deemed common equity and rate of return for our Alberta gas pipeline. Second, average industry prices for polyethylene declined from an average of 32 cents U.S. per pound in 1992 to an average of 29 cents per pound in 1993.

NOVA at-a-glance

Alberta Gas Transmission Division: a pivotal player in North American gas delivery

The AGTD system:

→ is 11,700 miles long

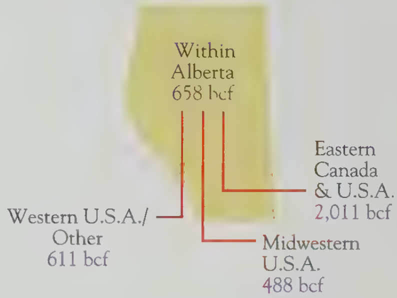
→ features 45 compressor stations and nearly 1,000 access and delivery points

→ carries more than 15% of the natural gas produced annually in North America.

→ AGTD has spent roughly $2.2 billion to expand its system since January 1990 and will spend about $2 billion in the next three years.

→ AGTD transported 3.8 trillion cubic feet (tcf) of gas in 1993. The energy in this amount of gas could heat one million homes for more than 30 years.

1993 volumes transported 3.8 tcf



NOVA Gas Services: North American gas gathering, transmission, processing, storage and marketing

Pan-Alberta Gas

→ Canada's leading export gas marketer, selling 554 bcf of gas in 1993 in the U.S. and Canada. At year-end 1993, NOVA owned 50.005% of Pan-Alberta. NOVA expects to acquire the remaining 49.995% interest in 1994.

NGC Natural Gas Clearinghouse

→ A leading U.S. gas services company, NGC delivered 1.1 tcf of gas in 1993, representing 5% of total U.S. gas sales. NGC is 36.5% NOVA-owned.

NCL Novagas Clearinghouse

→ A new Canadian gas services enterprise owned by NOVA and Natural Gas Clearinghouse.

Foothills Pipe Lines

→ One of the leading transporters of natural gas to the United States, shipping 566 bcf in 1993. Foothills is 50% NOVA-owned.

Novacorp International: marketing NOVA's natural gas services around the world

Malaysia
Joint venture technical services company with PETRONAS.

Mexico
Proposal for modernization of gas control systems.

Pakistan
Managing consulting projects; pursuing further investments.

Argentina
Operate and own an 11.4% stake in a 2,650-mile gas pipeline.

Russia
Multi-year study on rehabilitating gas pipeline infrastructure.

China
Major gas project and ongoing technology transfer.

Novacor Chemicals: low-cost, value-added petrochemicals

Novacor is North America's:

→ largest ethylene producer

→ fourth-largest polystyrene producer

→ fifth-largest polyethylene producer

*NOVA owns 24% of Methanex Corporation, the world's leading methanol producer and marketer.

Novacor upgrades natural gas and other hydrocarbons into four main product streams:	*Novacor's customers transform our products into thousands of valuable end uses:*
ethylene/polyethylene →	plastic bags, pipe, drums, toys and bottles
methanol* →	windshield wash, gasoline component, resins
styrene/polystyrene →	food packaging, appliance parts, compact disc cases
propylene/polypropylene →	automotive parts, children's car seats

to our shareholders

Richard F. Haskayne
Chairman of the Board

J.E. (Ted) Newall
President and Chief Executive Officer

During 1993, NOVA developed its new strategic direction. Our new strategy strongly supports the initiatives launched in 1991 and 1992, including our emphasis on customer service, high levels of training and development for our people, rapid productivity growth and cost reduction. The strategic review also led us to sell a number of non-core investments. We now have a much clearer focus for future growth.

Today, NOVA's four inter-related businesses are Alberta gas transmission, North American gas services, international gas services, and petrochemicals. Each of our businesses adds value to natural gas and other hydrocarbons. Each supports the others through shared resources, expertise and best practices.

Alberta gas transmission

The Alberta Gas Transmission Division (AGTD) continues to build its reputation as one of the world's most technologically advanced and fastest-growing gas transportation systems. Over the last four years, the value of the Alberta pipeline rate base has doubled, from $1.8 billion to $3.6 billion.

Our Alberta gas pipeline recorded a seventh successive year of rapid growth, investing over $520 million to expand system capacity. This dramatic growth will continue for several years to come, meeting the growing transportation needs of Alberta's gas producers.

In response to our customers' wishes and to facilitate raising the substantial capital required to expand our system, we are taking steps to establish AGTD as a stand-alone, traditionally-regulated pipeline company in 1994.

AGTD suffered a setback during the year when the Alberta Public Utilities Board reduced our common equity and rate of return. We are actively pursuing a correction to more appropriate levels, to safeguard our credit ratings and ensure we are able to raise expansion capital at competitive rates and terms.

North American natural gas services

Our strategic review determined that NOVA possesses many of the core competencies needed to compete in the North American gas services industry. This business includes gas gathering, transmission, processing, storage, marketing and related services. We believe gas services is a logical extension of our existing expertise and a good growth opportunity.

To pursue this opportunity, a North American gas services business was formed. This business includes our interests in Foothills Pipe Lines and Pan-Alberta Gas. To broaden the range of services we provide and to participate in the rapidly-growing U.S. market, we acquired a 36.5 per cent interest in Natural Gas Clearinghouse of Houston. NGC is a major North American gas services company, with a growing international presence. Together, we have formed a Canadian enterprise to offer NGC's services to Canadian gas producers.

International natural gas services

Novacorp International has over 20 years' experience providing natural gas engineering and consulting expertise, completing over 300 projects in more than 50 countries. NOVA's 1993 strategic review has led Novacorp to give priority to projects where it has the opportunity to take a significant equity position and participate in operating the business.

OGP Technical Services, our engineering services joint venture in Malaysia, was profitable in its first year. Our partner in OGP is PETRONAS, the Malaysian state-owned petroleum company. In Argentina, we made excellent progress in improving the operations and profitability of Transportadora de Gas del Norte (TGN), a NOVA-managed pipeline. NOVA owns an 11.4 per cent stake in this pipeline. Important consulting activities were launched in Russia, Pakistan, Mexico, China and Bolivia.

each business supports the others through shared resources, expertise and best practices

Petrochemicals

Novacor Chemicals' drive to reduce costs, improve productivity, achieve high capacity utilization and deliver very-low-cost increments of new capacity has improved the competitive position of each business.

Novacor succeeded in two major initiatives in late 1993 and early 1994. Both strengthen core businesses and enhance our competitive position worldwide. The acquisition of 24 per cent of the equity in Methanex Corporation gives NOVA the largest interest in the world's leading methanol company.

The purchase of DuPont Canada's polyethylene business and technology will complement NOVA's polyethylene product line and increase production by 30 per cent.

Continuing industry over-capacity resulted in very low polyethylene prices and margins worldwide for the fourth successive year.

The outlook for NOVA for 1994

Rapid growth in pipeline capacity will continue in our Alberta gas transmission business. Growth in North American and international natural gas services will have a modest impact on 1994 earnings, and should make a substantial contribution in future years. Progress in methanol and styrenics likely will be offset by higher feedstock costs and continuing difficult market conditions for polyethylene.

A thank-you to our communities

NOVA has operations and offices on nearly every continent — and in nearly every corner of our home province, Alberta. We thank our host communities for supporting NOVA's business activities, our employees and their families.

The NOVA team turns 40

We believe that the surest route to delivering well-above-average returns for our shareholders is to capture the enthusiasm and commitment of every NOVA employee and to focus that energy on delivering exceptional value to our customers.

We acknowledge the hard work and dedication of the 6,300 members of the NOVA team. We are committed to improving NOVA's people leadership practices to fully realize the abundant talents of our employees.

In April, NOVA marks its fortieth year. Through growth and acquisitions, NOVA has become one of Alberta's and Canada's leading companies. Yet, on every front, there is much room for improvement. We begin our forty-first year determined to deliver on our potential, quickly.

R. F. Haskayne

Richard F. Haskayne
Chairman of the Board

J E Newall

J. E. (Ted) Newall
President and Chief Executive Officer

alberta gas transmission

Bruce Simpson
President
Alberta Gas
Transmission Division

The Alberta Gas Transmission Division (AGTD), formed in 1954 to transport Alberta's vast reserves of natural gas, is the business on which NOVA was founded. Strategically located in the Western Canada Sedimentary Basin, Alberta has the largest established reserves of marketable gas in North America: roughly 58 trillion cubic feet.

Alberta is the home of 82 per cent of Canada's conventional producing gas reserves and 82 per cent of its marketed gas production. With competitive reservoir costs and efficient, reliable delivery systems, Canadian gas now meets 11 per cent of annual U.S. gas demand. Canadian demand for natural gas is expected to grow by 30 per cent by the year 2005. With North American gas consumption growing and U.S. gas supplies on the decline, Alberta gas is well-positioned to capture an increasing share of the continental energy market.

Rapid growth; reliable service

Environmental and cost advantages are driving a steady growth in North American natural gas demand. In 1994 and for the next several years, AGTD will continue to grow rapidly to meet this demand.

In 1993, for the seventh successive year, AGTD transported record volumes of natural gas. Since 1991, gas deliveries have been increased from 3.0 to 3.8 tcf, a 27 per cent rise in just two years.

Fortunately, there is ample gas supply to continue to fill AGTD's pipelines. Alberta's Energy Resources Conservation Board estimates that the gas industry has yet to tap two-thirds of the natural gas in Alberta. The total ultimate remaining potential is estimated at 132 tcf.

making western canadian gas the fuel of choice for north america

Gas deliveries have been exceptionally reliable. In 1993, not one firm service request for delivery was curtailed by constraints on the AGTD system. Less than one per cent of deliveries into AGTD's pipeline were curtailed by limited gas supplies or routine system maintenance.

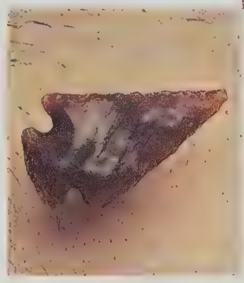
Transforming AGTD into a market-focused organization

AGTD is in the midst of an ambitious program to re-engineer itself for greater success. We are simplifying and improving each of our work

processes. We are measuring our performance and practices against the world's best pipeline companies. We are improving our understanding of — and anticipating — our customers' needs. AGTD is becoming a pacesetting, market-focused gas transportation leader worldwide.

We have also begun a process which will result in AGTD becoming a separate legal entity. This change is in response to customers' wishes for a free-standing, traditionally-regulated Alberta pipeline company.

Growing demand for Alberta gas led to a 1993 system expansion program worth over $520 million.



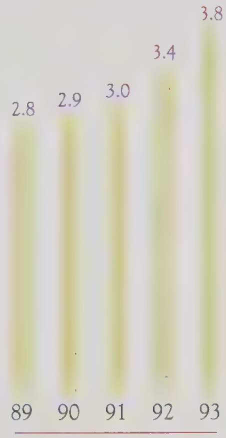
When pipeline surveying indicates a potential archeological site, AGTD ensures discoveries are protected and preserved.

Growth in investment and customer satisfaction

We have invested $2.2 billion expanding AGTD's system since January 1990. In 1993, we spent more than $520 million on system growth, and we expect to invest some $2 billion over the next three years. Growing investment in the Alberta pipeline is the critical driver behind increased pipeline earnings. In 1993, growth in pipeline earnings was offset by an adverse regulatory decision.

Despite the very large increase in capital spending and associated increases in fixed costs, we held the unit cost of transporting natural gas to 24.1 cents per thousand cubic feet in 1993. Unit transportation charges were reduced in both 1992 and 1993. AGTD's second annual customer survey showed some improvement in 16 of 17 areas rating customer service. Customers noted particular improvements in the quality of our communications, operations and business relationships.

AGTD gas deliveries
(tcf)



Gas deliveries were up about 13% in 1992 and 11% in 1993.

North American trade agreements have created a continental market for Alberta natural gas.

north american gas services

Kent Jespersen
President
NOVA Gas Services

The Natural Gas Clearinghouse trading floor in Houston is a hive of buy, transport and sell transactions.

NOVA Gas Services has been created to deliver cost-effective gathering, transmission, processing, storage, marketing and related commercial services to natural gas customers in North America. This business is a logical extension of NOVA's core competencies in pipeline and process plant operations.

NOVA's gas services business includes our interests in Pan-Alberta Gas, Foothills Pipe Lines, Natural Gas Clearinghouse, and Novagas Clearinghouse.

Pan-Alberta Gas (50.005 per cent NOVA-owned at year-end 1993) is Canada's leading export marketer of natural gas, selling 554 billion cubic feet (bcf) of natural gas in 1993 to clients in the United States and Canada. NOVA expects to acquire the remaining 49.995 per cent interest in Pan-Alberta in 1994.

Foothills Pipe Lines (50 per cent NOVA-owned) is one of Canada's leading transporters of gas to the United States, shipping 566 bcf in 1993. To meet growing demand for gas in the western United States, the capacity of Foothills' western leg was increased nearly five-fold in 1993, from 240 million cubic feet per day to 1.1 bcf per day. Foothills is the Canadian sponsor of pipelines proposed to transport natural gas from northern Canada and Alaska, including the Alaska Natural Gas Transportation System.

In January 1994, NOVA acquired a 36.5 per cent interest in Natural Gas Clearinghouse, a leading U.S. gas services company. In 1993, NGC delivered 1.1 trillion cubic feet (tcf) of gas, representing roughly 5 per cent of total U.S. gas sales. NGC owns 1,400 miles of gas gathering systems, seven gas processing plants, and markets 30,000 barrels of gas liquids and 50,000 barrels of crude oil per day. In addition, NOVA and NGC have formed a jointly-owned enterprise, Novagas Clearinghouse, to pursue the gas services business in Canada.

In February 1994, NOVA entered into an agreement to acquire a 33.3 per cent interest in the Altamont project, a proposed 620-mile natural gas pipeline in the western U.S.

international gas services

Novacorp International markets NOVA's natural gas services expertise around the world. In 1993, after 20 years and over 300 successful consulting and engineering projects, Novacorp broadened its business focus. Now, we give priority to consulting projects which can lead to long-term equity investments and management of operations.

Pierre Choquette
President
Novacorp International

When flooding disabled the TGN pipeline, the damage was best surveyed by horseback. An Argentine/Canadian team fixed the line in 15 days.

Two recent projects are good examples of this strategic thrust. Together with our partner, PETRONAS, we operate a joint venture company in Malaysia called OGP Technical Services. OGP provides project management expertise to help PETRONAS develop Southeast Asia's natural gas infrastructure. OGP recently completed the installation of a state-of-the-art compressor station at Kuantan, on peninsular Malaysia's east coast. OGP is managing the construction of a 250 million cubic feet per day gas processing facility, and also began work on a multi-products pipeline.

In Argentina, Novacorp has an interest in — and oversees the operation of — a 2,650-mile natural gas pipeline. In 1993, we worked with our Transportadora de Gas del Norte partners to raise annual natural gas deliveries by 10 per cent to roughly 260 billion cubic feet. An expansion project to increase pipeline throughput by another 20 per cent by June 1994 is proceeding on schedule.

Other Novacorp achievements in 1993 include:

→ the completion of a two-year study of 4,300 miles of existing pipeline in China and the start of a multi-year, multi-million-dollar technology transfer project;

→ laying the groundwork for sizable projects in Russia, Mexico, Pakistan, and Bolivia; and

→ the divestment of our rotating equipment hardware business in Calgary to its employees, who went on to establish a viable, independent company called Revolve Technologies.

petrochemicals

John Feick
President
Novacor Chemicals

Three activities in 1993 signal dramatic changes implemented in Novacor Chemicals: the re-engineering of our styrenics business, our restructuring into a global methanol position, and our move to the #5 position in North American polyethylene production.

Re-engineering contributes to styrenics turnaround

Our styrenics business includes our styrene and polystyrene operations. Just two years ago, the near-term outlook for this business was discouraging. Very substantial improvements in every aspect of our operations have turned this business around.

The re-engineering of this business will set the stage for further improvements in 1994 and beyond. Put simply, re-engineering means redesigning our approach to the business from the ground up, simplifying every process and challenging every assumption.

We deliberately chose to test re-engineering in one of our most challenging business situations. The lessons learned in polystyrene will be applied across all our businesses.

Restructuring to gain a global position in methanol

Our Alberta-based methanol business is very competitive. In fact, we believe the Medicine Hat complex — the largest single-site producer of methanol in North America — has been delivering the lowest-cost product to markets in western Canada and the northern United States.

we grew net income from petrochemicals from $2 million in 1992 to $14 million in 1993

Rising feedstock costs have been the biggest challenge to the long-term competitiveness of this business. When natural gas prices roughly doubled, our Alberta feedstock cost advantage was eroded.

Our solution was to join forces with Methanex Corporation of Vancouver, British Columbia, a global leader in methanol production. Now, our methanol business is a complementary part of Methanex's worldwide production and marketing network, with both benefiting from lower logistics costs.

Acquisition bolsters polyethylene presence

In early 1994, we agreed to acquire DuPont Canada's polyethylene business and proprietary SCLAIR® technology. This purchase will increase our annual polyethylene production capacity by 30 per cent

to 2.2 billion pounds, making us the fifth-largest producer in North America. In addition, we gain complementary technology and product lines, and achieve better integration of our olefins/polyolefins facilities in the Sarnia, Ontario region.

Division-wide gains in capacity and competitiveness

We completed a 150-million-pound ethylene capacity expansion at our Alberta petrochemicals complex for less than $50 million, and improved the competitiveness of similar facilities at Corunna, Ontario. Together, Novacor's ethylene and polyethylene businesses lead North America in cost-competitiveness.

Across Novacor, we are creating a sufficiently strong competitive position to deliver positive results in the worst of times. When even a modest improvement in market fundamentals occurs, we will deliver significantly improved financial results.

Rising feedstock costs a challenge

Novacor's ethylene/polyethylene business and the Alberta methanol complex consumed about 80 billion cubic feet of natural gas in 1993. The price of natural gas is expected to rise from $1.30 per thousand cubic feet in 1993 to a level somewhat above $2.00 in 1994.

An upward trend in methanol prices is helping to offset the rising cost of gas. There is little prospect for polyethylene price improvements in 1994. We are responding to the rising price of gas with a mix of variable price contracts, gas futures contracts and short-term fixed-price contracts.

As a gasoline additive and an alternative fuel, methanol offers many environmental advantages.

Our Chemical Research & Licensing subsidiary is developing a catalyst intended to replace toxic alkylation acids currently used in petroleum refineries.

These lube oil drums may not be suited for steelband music, but Smurfit Plastic Packaging of Delaware prefers its drums made from Novacor polyethylene. Nancy Conley worked with Smurfit's Ted Udell to convert a major U.S. oil company to these corrosion-free containers.

environment, health and safety

Jack Mustoe
Corporate Environmental Officer

We are committed to operating our businesses to standards which establish NOVA as an industry leader in protecting the environment and the health and safety of employees, customers and the public. NOVA is a leader in the fast-evolving field of environment, health and safety (EHS) management. In 1993, we took significant steps to enhance our ability to measure performance in this area.

Specifically, we worked hard to:

→ define standards and practices to support our EHS policies;

→ identify meaningful, long-term performance indicators to help us target and demonstrate continuous improvement; and

→ improve or create information systems to help us track our EHS performance.

These initiatives will move us toward our goal, which is to have NOVA's EHS management systems ranked with industry leaders. In 1992, Arthur D. Little, Inc. (A.D. Little), a world leader in EHS management and auditing, assessed NOVA's EHS management systems as being in the second quartile among comparable companies. NOVA has developed and is implementing action plans to move solidly and quickly into a first-quartile position.

NOVA invested more than $40 million in EHS capital and operating expenditures in 1993. We are convinced we can achieve business advantages through exceptional EHS performance. We expect greater customer acceptance of our products and services, preferred insurance rates, and easier access to financing for future growth.

we can achieve business advantages through exceptional EHS performance

Novacor makes measurable progress under Responsible Care®

Our Novacor Chemicals subsidiary builds its EHS and risk management endeavors around the guiding principles and codes of practice of the Responsible Care program. Responsible Care is a comprehensive EHS and risk management program adopted voluntarily by members of the chemical industry in more than 30 countries. This program seeks to

® Certification mark of the CCPA in Canada and the CMA in the United States.

ensure superior performance and continuous improvement in all aspects of the chemical industry. In 1992, Novacor fully implemented the Responsible Care program across its Canadian operations after more than five years of groundwork. In 1993, Novacor put in place essentially identical practices in all its U.S. operations.

Cuttings from native willows make ideal saplings for revegetating lands disturbed by pipeline construction.

Novacor and other Canadian chemical companies initiated the National Emissions Reduction Masterplan in 1993. This plan requires participants to establish baseline measurements for their emissions and wastes and to share this data with the public, along with reduction plans.

The 1992 A.D. Little audit helped Novacor identify a 36-point action plan to strengthen its EHS performance. Twenty-four of the steps have now been completed, with the remaining 12 targeted for mid-1994 completion. Following is a sample of some of the action items addressed in 1993:

We're always finding new uses for recycled plastics, such as the interior mounts on compact disc cases.

We test the air quality before setting foot inside our gas meter stations.

→ A cross-functional team developed detailed standards to support Novacor's EHS policy and the Responsible Care codes of practice. Performance measurements for these standards have been developed, targets for 1994 performance have been set, and a company-wide reporting system has been implemented.

→ A thorough analysis of all information systems was completed and plans for 1994 systems improvements developed.

→ Novacor's existing EHS audit program was expanded to cover all aspects of the Responsible Care program. These audits stimulate continuous improvement, ensure regulatory compliance and assure management that due diligence is exercised in all activities. This year-round program is conducted by trained teams of internal auditors, with annual assessments by A.D. Little.

→ A Novacor-wide Pollution Prevention Network was created, bringing together senior environmental professionals from all facilities to address common issues and share resources.

In 1994, Novacor is:

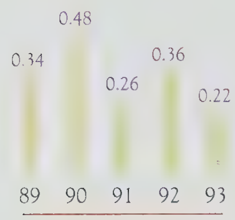
→ implementing a product stewardship program covering the life cycle of its petrochemicals;

→ implementing a new waste minimization program;

→ developing a new integrated risk assessment process; and

→ continuing to communicate its Responsible Care initiatives to stakeholders, such as communities near its plants.

novacor lost-time injuries per 100 person-years worked



Novacor's record has been ranked as fourth-best among 68 U.S. chemical companies and 14 Canadian chemical companies.

AGTD lost-time injuries per 100 person-years worked

AGTD's record has been ranked as fourth-best among the 19 pipeline companies in the Canadian Gas Association.

Alberta pipeline builds on EHS audit

In 1993, NOVA's Alberta Gas Transmission Division (AGTD) developed a detailed action plan to move toward first-quartile EHS performance. Many of these actions were addressed last year, including the development of new EHS policies and improved management systems. Other sample initiatives include:

→ Improved emergency response and preparedness systems, with updated plans, training and simulated response exercises.

→ Consultation with more than 900 landowners and residents to involve them in construction planning for a major pipeline project.

→ AGTD employees drove more than 20 million miles in 1993, travelling to job sites throughout Alberta. More than 300 employees have taken safe driver training since 1991. AGTD now leads the members of the Canadian Gas Association in safe driving performance.

→ Development of a comprehensive EHS audit system, including self-assessments, independent compliance audits and ongoing reviews of management systems.

In 1994 AGTD is:

→ developing and integrating specific indicators for EHS into its performance measurement system;

→ implementing the provisions of an 11-point occupational health and safety policy; and

→ contributing to the development of a NOVA-wide risk management model to identify priorities and assess the effectiveness of EHS initiatives.

▲ *Twelve pairs of Canada geese raised their young alongside our Moore, Ontario facility in 1993.*

management discussion & analysis[1]

NOVA completed a review of its strategic direction in 1993. The strategic review determined that NOVA will concentrate only on businesses that are of substantial size and offer growth potential and high returns to its shareholders. NOVA will compete only in businesses where it can be equal to the best. This strategic review also resulted in the reorganization of NOVA into four businesses. For the purposes of the following discussion and analysis, the activities of these businesses have been classified into two broad industry categories: natural gas services and petrochemicals.

NOVA's four business activities are classified into two broad industry categories for financial reporting purposes:

1
Natural Gas Services

2
Petrochemicals

Strategic Direction

During 1993 and early 1994, NOVA sold interests in businesses which did not fit its strategic direction and pursued new investment opportunities in its core businesses. NOVA sold Novalta Resources Inc. (an oil and gas company), its interest in the TQM Pipeline Partnership (which owns and operates a natural gas pipeline in Quebec) and its interest in Grove Italia S.p.A. (a valve manufacturer). Cash proceeds from these sales were about $345 million.

Early in 1994, NOVA completed the acquisition of about 24 per cent of Methanex Corporation (Methanex), 36.5 per cent of Natural Gas Clearinghouse (NGC) and signed an agreement to purchase DuPont Canada Inc.'s (DuPont Canada) polyethylene business. The cash cost of these acquisitions was about $560 million, of which $160 million was spent in 1993. NOVA also sold its methanol business to Methanex as part of the transactions to acquire Methanex shares. Methanex is a major producer of methanol with about 15 per cent of world capacity. NOVA is now the largest single shareholder in Methanex.

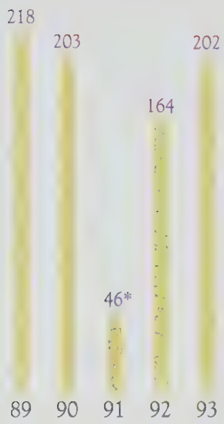
NOVA acquired its 36.5 per cent partnership interest in NGC for about $225 million. NGC is a major U.S. gas services business with investments in gas marketing and in gas gathering and processing facilities. NOVA and NGC have also established a Canadian natural gas services enterprise called Novagas Clearinghouse Limited Partnership.

(1) Management discussion and analysis should be read in conjunction with the consolidated financial statements and related notes for the year ended December 31, 1993.

The purchase of DuPont Canada's polyethylene business will include an approximately 500 million pounds per year polyethylene facility near Sarnia, Ontario; DuPont Canada's SCLAIR® technology; and the worldwide SCLAIR licensing business. With the purchase, NOVA increases its total production capacity to approximately 2.2 billion pounds per year of polyethylene. This makes NOVA the fifth-largest producer of polyethylene in North America.

NOVA will ask its common shareholders to approve a corporate restructuring on May 6, 1994. The requested changes are in response to the desire of AGTD's customers to have a free-standing pipeline company which would be regulated on a more traditional basis. The proposed structure will result in the regulated Alberta pipeline business becoming a separate legal entity.

net income
($ millions)



* Before restructuring charge

Results of Operations

Consolidated financial results 1993 compared with 1992

Net income in 1993 increased by $38 million to $202 million compared with 1992 net income of $164 million. This improvement was largely the result of a $25 million gain on the sale of an investment in Grove Italia S.p.A. and reduced non-cost-of-service interest expense, resulting from lower average debt levels.

The net income contribution from NOVA's natural gas services businesses decreased $3 million from the prior year. This was largely the result of a reduction in the regulated rate of return NOVA earns for transporting natural gas in Alberta. The effects of the lower rate of return were not fully offset by growth in the rate base. Foothills and Pan-Alberta, two of NOVA's other natural gas services businesses, made contributions to net income comparable to 1992. Novacorp's contribution rose from $4 million to $10 million. This growth stems from profitable investments in Argentina and Malaysia.

Petrochemicals net income grew in 1993, from $2 million to $14 million. This growth was achieved despite continuing very difficult market conditions. Lower polyethylene prices have largely offset the effects of a lower-valued Canadian dollar and many improvements made in most business areas.

1992 compared with 1991

Net income in 1992 increased $118 million compared with net income from continuing operations (before the restructuring charge) in 1991. This was largely the result of a $110 million improvement in petrochemicals earnings over 1991 results. Lower operating costs,

Changes in Net Income[1]

(millions of dollars)	1993 compared with 1992	1992 compared with 1991
Natural gas services		
Increase in AGTD rate base	$ 13	$ 17
Decrease in AGTD rate of return	(16)	(10)
Decrease in allowance for funds used during construction	(3)	(6)
Increase in equity in earnings of affiliates	7	–
Other	(4)	6
	(3)	7
Petrochemicals		
Reduced interest expense	19	12
Higher product margins[2]	9	–
Higher product volumes	3	16
Lower (higher) operating costs	(7)	22
Lower (higher) depreciation	(6)	37
Discontinued product lines	–	10
Other	(6)	13
	12	110
Corporate and other		
Gain on sale of assets	29	–
Other	–	1
	29	1
Increase in net income from continuing operations before restructuring charge	$ 38	$ 118

(1) Amounts are expressed net of income taxes

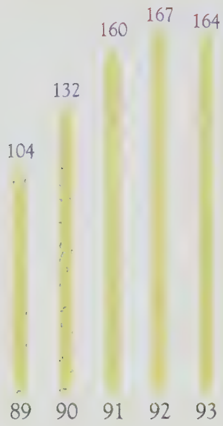
(2) Selling prices less feedstock costs

depreciation and interest expense, together with higher sales volumes and a decrease in the value of the Canadian dollar, also contributed to the improved performance. Earnings from natural gas services improved only slightly, as increases in net income resulting from rate base growth of the Alberta Gas Transmission Division were largely offset by a reduction in the rate of return on deemed common equity.

NOVA's consolidated net loss of $923 million in 1991 included two non-recurring charges against income. These charges consisted of a $675 million after-tax restructuring charge and a $294 million loss from discontinued operations following the sale of NOVA's interest in Husky Oil Ltd.

A summary of the major factors causing changes in net income from continuing operations (before the restructuring charge) is provided above.

natural gas services net income contribution
($ millions)



AGTD's steady earnings support NOVA's net income.

AGTD unit cost-of-service transportation charge
(¢/mcf)

Gas delivery charges decreased in both 1992 and 1993.

Natural Gas Services

(millions of dollars)	1993	1992	1991
Revenue	$ 966	$ 877	$ 821
Operating income	$ 405	$ 406	$ 365
Depreciation	$ 156	$ 141	$ 121
Capital expenditures(1)	$ 523	$ 451	$ 555
Identifiable assets	$ 4,208	$ 3,790	$ 3,275
Contribution to net income			
Alberta Gas Transmission Division	$ 143	$ 149	$ 142
Foothills Pipe Lines(2)	15	16	16
TQM Pipeline(2)	5	5	5
Pan-Alberta Gas	3	2	2
Novacorp International	10	4	6
Corporate allocations and other(3)	(12)	(9)	(11)
	$ 164	$ 167	$ 160

(1) Net of retirements

(2) Results are included in equity in earnings of affiliates

(3) Includes an allocation of corporate interest expense

Historically, NOVA's involvement in the natural gas services industry has concentrated on regulated Canadian pipelines with some involvement in gas marketing and international consulting and investment. NOVA is committed to pursuing growth opportunities in the complete range of the natural gas services business.

Alberta Gas Transmission Division

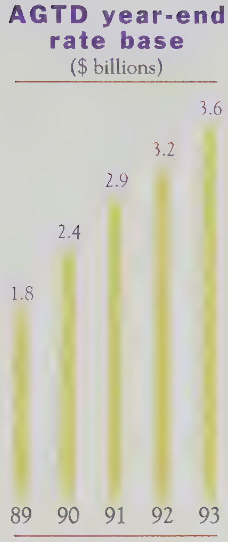
Eighty-two per cent of the Canadian marketed natural gas production and about 15 per cent of natural gas produced annually in North America moves through AGTD's system. During 1993, AGTD contributed $143 million to net income compared with $149 million in 1992 and $142 million in 1991.

Effective January 1, 1993, the Alberta Public Utilities Board (PUB) reduced AGTD's deemed common equity component of its capital structure to 30 per cent from 32 per cent. AGTD's rate of return on common equity was also reduced to 11.75 per cent from 12.5 per cent (1991 - 13.75 per cent). The PUB heard an application from AGTD for a review of the PUB's 1993 decision in January 1994. A decision is expected in the first quarter of 1994.

The effect of these changes was a $16 million reduction in net income. However, this reduction in net income was partially offset by increased earnings of $13 million due to growth in AGTD's rate base.

These changes, coupled with a decrease of $3 million in the allowance for funds used during construction, reduced net income from the Alberta pipeline business by $6 million from the prior year. AGTD's average rate base was $3.4 billion in 1993 compared with $3 billion in 1992, and $2.6 billion in 1991.

Contribution to net income from AGTD increased by $7 million in 1992 compared with 1991. This increase was attributable to expansion of the Alberta pipeline system offset somewhat by the lower rate of return.



AGTD's rate base has doubled in the last four years.

North American Gas Services

Foothills Pipe Lines Ltd.

During 1993, Foothills contributed $15 million to net income compared with $16 million in both 1992 and 1991. NOVA's 1993 share of the average rate base was $329 million, compared with $299 million in 1992 and $296 million in 1991.

Foothills had been earning a 14.25 per cent return on a base common equity of 25 per cent (plus or minus 5 per cent) until October 5, 1992 when the rate of return was reduced by the National Energy Board to 12.5 per cent. Effective March 25, 1993, Foothills' rate of return was reduced to 11.5 per cent and the annual common equity component was set at 28 per cent. Foothills has filed an application with the National Energy Board requesting a review of the March 1993 decision.

TQM Pipeline Partnership

TQM Pipeline Partnership owns and operates a natural gas pipeline system in Quebec. Effective January 1994, NOVA sold its 50 per cent partnership interest for cash proceeds of approximately $52 million. No after-tax gain or loss will be recognized on the transaction.

Pan-Alberta Gas Ltd.

Pan-Alberta purchases natural gas in Alberta and British Columbia for transportation and resale to markets primarily outside Alberta. Its gas purchase contracts do not involve take-or-pay liabilities.

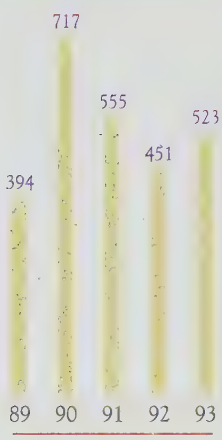
International Gas Services

During 1993, NOVA's subsidiary Novacorp International Consulting Inc. was renamed Novacorp International Inc. to reflect its movement towards pursuing strategic international equity investments. This direction builds on Novacorp's successful 1992 ventures in Argentina and Malaysia. Novacorp's business is predominantly non-cost-of-service. During 1993, Novacorp contributed $10 million to net income compared with $4 million in 1992 and $6 million in 1991.

Future outlook

Demand for gas transportation on the AGTD pipeline system is expected to continue to grow over the next few years insofar as the Canadian natural gas industry expands to meet increasing demand for natural gas, especially from U.S. markets. AGTD delivered record volumes of natural gas for the seventh consecutive year. 1993 delivered volumes of 3.8 trillion cubic feet (tcf) are up 0.4 tcf or 11 per cent compared with 1992. NOVA is projecting capital expenditures of $2 billion over the next three years, including $600 million in 1994, to expand its Alberta pipeline system.

pipeline capital expenditures
($ millions)



NOVA expects to invest $600 million in pipeline capital expenditures in 1994.

NOVA has established AGTD's 1994 common equity component of its capital structure at 32 per cent and rate of return on deemed common equity at 12.25 per cent. The Canadian Association of Petroleum Producers (CAPP) has requested that the PUB set AGTD's 1994 deemed common equity at 25 per cent with an 11 per cent rate of return. This position is similar to the complaint filed in respect of 1993 rates. The PUB hearing to review this rate application has been scheduled for July 1994.

During 1994, NOVA will also begin to capitalize on its expertise in providing natural gas services in North America. NOVA's acquisition of 36.5 per cent of NGC gives NOVA an equity interest in the largest independent natural gas marketer in the U.S. NGC has investments in natural gas marketing and in gas gathering and processing facilities. NOVA also established a Canadian natural gas services enterprise with NGC called Novagas Clearinghouse Limited Partnership. NOVA has agreed to invest at least an additional U.S. $100 million in connection with acquisition activities of NGC, provided such projects are acceptable to NOVA.

Petrochemicals

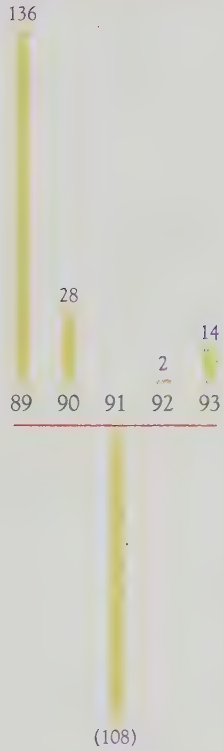
NOVA's petrochemicals business consists of cost-of-service and non-cost-of-service segments. The cost-of-service segment is part of the olefins and polyolefins business. It contributes over $40 million per year to NOVA's net income (see Cost-of-service businesses, page 27). For non-cost-of-service businesses, net income contribution is largely determined by the market forces of supply and demand that affect product prices. During the past few years, margins for most petrochemicals have remained depressed due to low growth in demand, caused by the recession in North America coupled with increasing worldwide production over-capacity. The impact of these declining margins has been mitigated to some extent by a lower-valued Canadian dollar.

Petrochemicals

(millions of dollars)	1993	1992	1991
Revenue			
Olefins and polyolefins	$ 1,972	$ 1,963	$ 1,926
Styrenics	584	428	557
Methanol	232	196	185
	2,788	2,587	2,668
Intrasegment eliminations	(480)	(437)	(415)
	$ 2,308	$ 2,150	$ 2,253
Operating income (loss)(1)			
Olefins and polyolefins	$ 75	$ 136	$ 56
Styrenics	(22)	(52)	(89)
Methanol	26	17	31
	$ 79	$ 101	$ (2)
Depreciation	$ 168	$ 148	$ 179
Capital expenditures	$ 262	$ 79	$ 111
Identifiable assets	$ 2,696	$ 2,373	$ 2,440
Contribution to net income(2)	$ 14	$ 2	$ (108)

(1) 1992 and 1991 figures have been restated to conform with 1993 presentation
(2) Includes an allocation of corporate interest expense

petrochemicals net income contribution
($ millions)

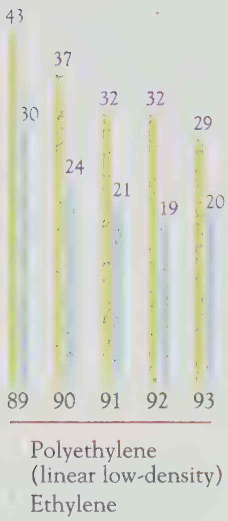


Petrochemicals markets remain depressed; however, 1991 restructuring actions have improved profitability.

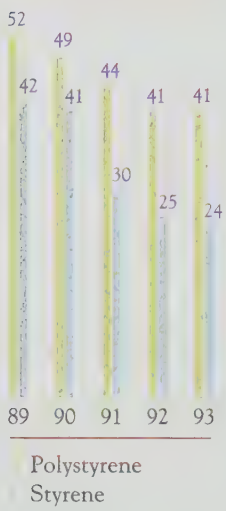
Net income contribution from petrochemicals increased $12 million to $14 million in 1993 from $2 million in 1992 and a net loss of $108 million in 1991. The improved performance in the petrochemicals business for 1993 is attributed to lower non-cost-of-service interest expense resulting from reduced average debt levels and improved styrenics and methanol results. Offsetting these improvements was a reduction in the contribution of the olefins and polyolefins business as a result of lower prices for polyethylene. The increase in net income from 1991 to 1992 was primarily the result of restructuring actions initiated late in 1991 and lower interest expense due to reduced average debt levels.

Operating income was $22 million lower in 1993 compared with 1992. Operating income from olefins and polyolefins is down 45 per cent or $61 million from 1992 principally as a result of reduced margins in the polyethylene business. Excess supply continues to keep polyethylene selling prices low. The market is not expected to improve significantly in 1994. Higher depreciation due to plant expansion, unscheduled plant shut-downs and higher distribution costs due to increased sales volumes also contributed to lower operating income. Operating losses from the styrenics business decreased 58 per cent or $30 million. The improvement is attributed to improved margins and reduced plant

polyethylene & ethylene average benchmark prices on the U.S. gulf coast
(U.S.¢/pound)



polystyrene & styrene average benchmark prices on the U.S. gulf coast
(U.S.¢/pound)



Production

(millions of pounds, except methanol)	1993	1992	1991
Ethylene(1)			
Joffre	3,158	3,188	3,250
Corunna	1,371	1,388	1,130
Polyethylene			
Linear low-density	1,009	1,008	950
Low-density	222	204	170
High-density	331	364	320
Styrene	742	566	620
Polystyrene	617	641	650
Propylene	675	706	635
Polypropylene	120	116	115
Methanol(2)	301	282	310

(1) In 1993, 2,567 million pounds of ethylene were sold under long-term cost-of-service arrangements, 484 million pounds were sold at market-related prices and 1,419 million pounds were used internally.

(2) Millions of U.S. gallons

operating costs. NOVA has also entered into a business relationship that has reduced the cost of styrene purchased from third parties. Methanol operating income increased 53 per cent or $9 million over 1992. The improvement is the result of higher margins as a result of improved market conditions, which are expected to continue into 1994.

Operating income improved by $110 million in 1992 compared with 1991. This was accomplished through lower feedstock costs, cost-containment programs, increased sales volumes for ethylene and polyethylene, a weaker Canadian dollar and lower depreciation due to plant write-downs. Offsetting these improvements was a decrease in operating income from methanol. During 1992, methanol prices declined due to lower demand.

Capital expenditures during 1993 were $262 million compared with $79 million in 1992 and $111 million in 1991. Funds, in addition to those generated by petrochemicals operations, were required to support the 1993 capital expansion program. These expenditures were made to maintain facilities, increase capacity and reduce operating costs. Of the $262 million, $127 million was spent on the olefins and polyolefins business, $85 million on the styrenics business, $30 million on the methanol facilities and $20 million by Novalta on natural gas exploration and development.

Capital expenditures are expected to be about $200 million in 1994. Of this, about $170 million will be spent on the olefins and polyolefins business and $30 million on the styrenics business. Approximately

$100 million will be spent on productivity improvements and $100 million on sustaining capital expenditures.

Effective January 1994, NOVA sold its wholly-owned natural gas production company, Novalta, for an after-tax gain of about $120 million. Novalta had been viewed as a partial hedge against feedstock price increases for NOVA's Alberta-based petrochemicals businesses. NOVA believed that it could best capture the value of higher natural gas prices for its shareholders with the sale of Novalta.

methanol average benchmark prices on the U.S. gulf coast
(U.S.¢/U.S. gallon)

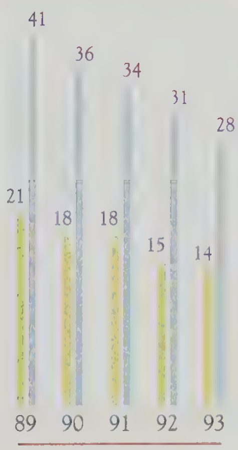
Future outlook

Over the long-term, performance in the petrochemicals business is volatile, however it is expected that petrochemicals prices will continue to remain low in 1994 as world markets continue to be oversupplied.

NOVA has signed an agreement to purchase DuPont Canada's polyethylene business. The purchase will increase NOVA's share of North American polyethylene production capacity to 7.2 per cent, broaden NOVA's technological capability and create a more integrated olefins and polyolefins business. After the purchase, all of NOVA's ethylene production will be sold under long-term cost-of-service arrangements or used internally for the production of polyethylene. The 1994 average prices for ethylene and polyethylene are not expected to differ significantly from 1993 average prices.

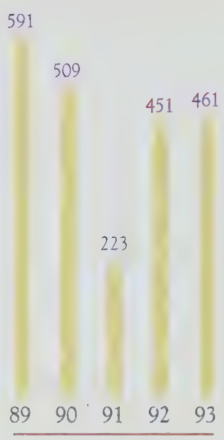
Styrenics will continue to be a somewhat difficult business for the near term. Margins are expected to increase modestly in 1994 as industry capacity utilization rates approach 90 per cent. These margin improvements combined with reduced production costs and debottlenecking of plants are expected to generate a modest profit in the styrenics business in 1994.

propylene & polypropylene average benchmark prices on the U.S. gulf coast
(U.S.¢/pound)

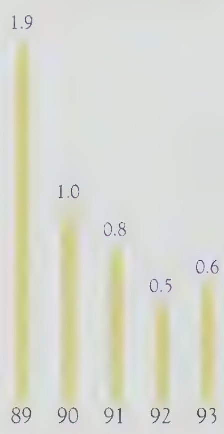


The demand for methanol is expected to increase as the U.S. Clean Air Act is fully implemented. Industry capacity utilization rates are expected to exceed 90 per cent in 1995. In response, methanol prices are expected to increase in 1994. Consistent with its strategy of concentrating only on businesses of substantial size that offer growth potential, NOVA significantly enhanced its presence in the global methanol market. In a series of transactions in late 1993 and early 1994, NOVA acquired a 24 per cent common equity interest in Methanex. Methanex is the world's largest producer and marketer of chemical grade methanol. It also produces ammonia and synthetic gasoline. It owns production facilities in Canada, New Zealand and Chile, has facilities under construction in the United States and has an equity interest in a plant in Trinidad.

funds from continuing operations
($ millions)



non-cost-of-service long-term debt
($ billions)



Non-cost-of-service long-term debt has been cut by nearly 70 per cent since 1989.

Liquidity and capital resources

NOVA's liquidity remains strong due to positive funds flow from operations and the availability of committed credit facilities with various banks.

Funds from continuing operations of $461 million in 1993 were $10 million higher than last year and $238 million over funds from continuing operations in 1991. The increase in funds flow in 1993 was primarily due to lower non-cost-of-service interest expense resulting from reduced average debt levels. The increase in funds flow in 1992 was principally due to higher operating income from petrochemicals operations and lower non-cost-of-service interest expense. NOVA's total unutilized contracted credit facilities at December 31, 1993 were $965 million.

During the past three years NOVA has incurred almost $2 billion of capital expenditures, primarily for the expansion of the Alberta pipeline system. NOVA has also reduced its non-cost-of-service debt by $242 million during this period. Funds in excess of those provided from operations were provided from the sale of NOVA's interest in Husky Oil Ltd. for $325 million in 1991 and from the sale of 110 million common shares for net proceeds of $796 million. In 1993 NOVA issued U.S. $200 million of debentures under its shelf prospectus in the United States and $150 million of debentures under its shelf prospectus in Canada.

On February 9, 1994, NOVA issued 52.5 million common shares for net proceeds of about $481 million. Approximately $150 million of the proceeds will be applied to reduce non-cost-of-service bank loans and short-term borrowing, approximately $100 million will be applied to fund a portion of AGTD's 1994 capital expenditure program, and the balance will be used to fund further natural gas services opportunities in Canada and internationally. Pending their use, any excess funds will be applied to further reduce bank loans and short-term borrowing.

During 1993, NOVA repurchased 2.5 million of its common shares through a normal course issuer bid for $22 million. NOVA also issued 2.9 million common shares for $22 million on the exercise of stock options and under the dividend reinvestment and share purchase plan.

NOVA believes that cash flow from operations, the availability of bank credit facilities and access to long-term capital markets will be sufficient to finance its debt repayment obligations and ongoing capital spending programs. NOVA's capitalization over the three-year period is outlined on page 27.

Capitalization

December 31 (millions of dollars)	Pro forma[1] 1993		1993		1992		1991	
		%		%		%		%
Cost-of-service								
Long-term debt[2]	$ 2,753	65	$ 2,753	65	$ 2,425	63	$ 2,347	65
Preferred shares	176	4	176	4	182	5	89	3
Common equity	1,305	31	1,305	31	1,265	32	1,150	32
	$ 4,234		$ 4,234		$ 3,872		$ 3,586	
Non-cost-of-service								
Short-term bank loans	$ 291	14	$ 403	21	$ 222	14	$ 262	17
Long-term debt[2]	261	12	560	29	462	29	815	53
Preferred shares	–	–	–	–	–	–	100	6
Common equity[3]	1,571	74	970	50	907	57	362	24
	$ 2,123		$ 1,933		$ 1,591		$ 1,539	
Consolidated								
Short-term bank loans	$ 291	5	$ 403	6	$ 222	4	$ 262	5
Long-term debt[2]	3,014	47	3,313	54	2,887	53	3,162	62
Preferred shares	176	3	176	3	182	3	189	3
Common equity[3]	2,876	45	2,275	37	2,172	40	1,512	30
	$ 6,357		$ 6,167		$ 5,463		$ 5,125	

(1) Pro forma capitalization assumes the following transactions all took place on December 31, 1993: the purchase of an additional equity interest in Methanex, DuPont Canada's polyethylene business and a 36.5 per cent partnership interest in NGC; the sale of Novalta and TQM Pipeline Partnership interest; and the issuance of 52.5 million common shares for net proceeds of $481 million which were assumed to be used to repay non-cost-of-service debt pending other uses.

(2) Includes current portion

(3) Includes NOVA's $150 million convertible debentures

Cost-of-service businesses

NOVA's income and cash flow from most of the natural gas services businesses and the ethylene portion of the Alberta petrochemicals business are generated from cost-of-service operations. Customers of these businesses have agreed to pay NOVA for all reasonable and necessary costs incurred in providing the service or product, plus a specified after-tax return on NOVA's investment. Generally, net income can be calculated using the formula to the right.

NOVA's investment in the net assets of the business (the rate base)

the deemed common equity per cent

the rate of return on equity

net income

The rate base increases by the amount of capital expenditures incurred by NOVA for construction of facilities. The rate base decreases as the facilities are depreciated. The depreciation charge is billed to customers. This allows NOVA to recover, over time, the capital it has invested.

The rate base is deemed to be financed using certain proportions of equity and debt. NOVA earns a specified rate of return on the common equity

Investment and Return on Cost-of-service Businesses

(millions of dollars)	NOVA's share of average investment 1993	1992	1991	Net income 1993	1992	1991
Natural gas services						
Alberta Gas Transmission Division						
Common equity(1)	$ 3,363	$ 3,005	$ 2,569	$ 118	$ 120	$ 112
Preferred equity				11	12	7
AFUDC				14	17	23
				143	149	142
Foothills Pipe Lines*						
Phase I(2)	$ 329	$ 299	$ 296	12	13	13
Phase II				3	3	3
				15	16	16
TQM Pipeline(3) *	$ 161	$ 166	$ 173	5	5	5
Other				–	2	2
				163	172	165
Petrochemicals						
Ethylene plants(4)	$ 537	$ 538	$ 574	37	37	37
Other*				7	7	7
				44	44	44
Net income contribution				$ 207	$ 216	$ 209

* *Results are included in equity in earnings of affiliates. Equity earnings from petrochemicals investments include NOVA's share of earnings from the Fort Saskatchewan Ethylene Storage Limited Partnership, the Ethane Gathering System and Pan-Alberta Resources Inc.*

(1) *After-tax return – 1993 – 11.75%; 1992 – 12.5% and 1991 – 13.75% on a deemed common equity component of 30% in 1993 and 32% in 1992 and 1991.*

(2) *After-tax return – 1993 – average of 11.83%; 1992 – average of 13.82% and 1991 – 14.25% on a deemed common equity component of 25% before March 25, 1993 and 28% after this date.*

(3) *After-tax return – 1993 – 12.25%; 1992 and 1991 – 13.75% on a deemed common equity component of 25%.*

(4) *After-tax return is 20% on a deemed common equity component which averaged 35% in 1993, 34% in 1992 and 33% in 1991.*

portion. Interest on debt and dividends on preferred equity are paid by NOVA's customers.

A similar return is also earned on funds used during the construction of assets, before these assets are added to the rate base. This is referred to as "Allowance for funds used during construction" (AFUDC). NOVA's investment and return on cost-of-service businesses is outlined above.

Sensitivity to market conditions

NOVA's petrochemicals products are sold in highly competitive markets, principally in Canada, the United States, Europe and the Asia-Pacific region. Supply and demand conditions for petrochemicals products and feedstock are subject to significant fluctuations which may impact prices

Factors Affecting NOVA's Net Income in 1994

Assumptions[1] (millions of dollars)	Estimated annual increase (decrease) in net income
Petrochemicals	
Increase in profit margin of U.S. 1¢ per pound[2]	
Propylene	$ 4
Polyethylene	17
Polypropylene	1
Styrene	3
Polystyrene	5
Methanol (U.S. 1¢ per U.S. gallon)	2
Increase in Canadian dollar by U.S. 1¢	(4)
Increase in interest rates by 1%	(2)
Alberta Gas Transmission Division	
Increase of $100 million in capital spending	2
Increase of 1% in rate of return on common equity	13
Increase of 1% in deemed common equity	4

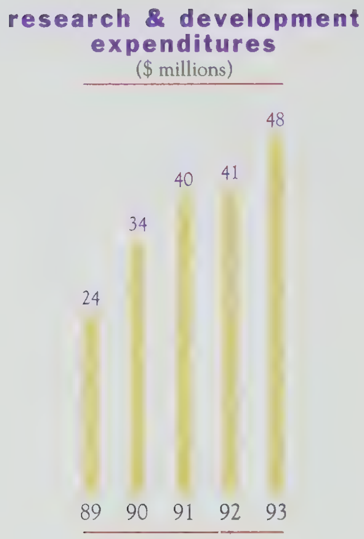
(1) A decrease in these factors will have the opposite effect on net income.
(2) Based on expected sales to third parties

and margins and NOVA's earnings. Prices for most of NOVA's petrochemicals products are established in U.S. dollars; however, a portion of the production costs is established in Canadian dollars. As a result, fluctuations in the U.S. dollar exchange rate impact NOVA's earnings.

Changes in feedstock costs tend to be reflected in product selling prices. However, these selling prices are greatly influenced by capacity utilization in the industry. Current excess production capacity in the petrochemicals industry is keeping selling prices low. NOVA consumes approximately 50 billion cubic feet of natural gas, 18 to 22 million barrels of crude oil and condensates and 5 to 9 million barrels of natural gas liquids per year in the production of its petrochemicals products. The mix of crude oil, condensates and natural gas liquids varies depending upon their relative cost at any point in time. Net income from cost-of-service activities can be affected by the level of capital expenditures and changes in deemed common equity and rate of return.

Financial risk management strategies

NOVA actively manages its exposure to interest rates, foreign exchange rates and commodity prices. NOVA uses interest rate swaps, forward contracts and currency options to minimize the risk of losses due to changing rates or prices. These instruments are used for hedging purposes, not for speculation.



During 1993, NOVA established a formal hedging policy for its U.S. dollar exposure on cash flow from petrochemicals operations. The policy provides management with the authority to hedge up to 50 per cent of NOVA's U.S. dollar exposure for up to 24 months, and maintain an ongoing program of hedging provided no more than 24 consecutive months are hedged at any given time. As at December 31, 1993, approximately 25 per cent of NOVA's U.S. dollar exposure has been hedged.

NOVA reduces the risk of fluctuation in feedstock prices through the use of short-term fixed price contracts and commodities futures contracts. The extent to which hedging instruments are used varies depending upon market conditions.

Research and development

One of NOVA's most important goals is to consistently exceed customer expectations. As part of NOVA's efforts to achieve this goal, NOVA maintains an ongoing research and development program. Research efforts are directed at improving the properties of NOVA's products and the technology used in their production. NOVA also helps its customers improve the way they use NOVA's products. Total expenditures for research and development amounted to $48 million in 1993, $41 million in 1992 and $40 million in 1991.

Environmental regulations

Protecting and conserving the natural environment and complying with applicable environmental laws and regulations is a fundamental business practice at NOVA. NOVA believes it is operating in material compliance with the applicable laws and regulations. A committee of NOVA's Board of Directors regularly reviews issues that affect NOVA's environmental policies, standards, programs and compliance status.

Environmental capital expenditures, including pollution abatement and remedial programs, were $20 million in 1993, $27 million in 1992 and $35 million in 1991. Environmental capital expenditures are estimated to be $33 million in 1994 and $38 million in 1995. Operating expenses related to environmental protection were $21 million in 1993, $17 million in 1992, and $16 million in 1991. Environmental operating expenses are projected to be $19 million in 1994 and $20 million in 1995.

NOVA has certain obligations for the remediation of discontinued petrochemicals sites. Adequate provisions, amounting to $57 million, have been made in the financial statements to cover these costs.

management report

To the Shareholders of
NOVA Corporation of Alberta

The consolidated financial statements and other financial information included in this annual report have been prepared by management. It is management's responsibility to ensure that sound judgment, appropriate accounting principles and methods, and reasonable estimates have been used in the preparation of this information. They also ensure that all information presented is consistent.

Management is also responsible for the development of internal controls over the financial reporting process. The internal control system includes an internal audit function and an established business conduct policy. Management believes the system of internal controls, review procedures and established policies provide reasonable assurance as to the reliability and relevance of financial reports. Management also believes that the Corporation's operations are conducted in conformity with the law and with a high standard of business conduct.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through its Audit and Finance Committee. The Committee, which consists solely of non-management directors, reviews the financial statements and annual report and recommends them to the Board for approval. The Committee meets with management, internal auditors and external auditors to discuss internal controls, auditing matters and financial reporting issues. Internal and external auditors have full and unrestricted access to the Audit and Finance Committee. The Committee also recommends a firm of external auditors to be appointed by the shareholders.

J.E. Newall
President and Chief Executive Officer

J.M. Lipton
Senior Vice President and Chief Financial Officer
February 24, 1994

auditors' report

To the Shareholders of
NOVA Corporation of Alberta

We have audited the consolidated balance sheet of NOVA Corporation of Alberta as at December 31, 1993, 1992 and 1991 and the consolidated statements of income and reinvested earnings and cash flows for each of the years in the three year period ended December 31, 1993. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1993, 1992 and 1991 and the results of its operations and the changes in its financial position for each of the years in the three year period ended December 31, 1993 in accordance with accounting principles generally accepted in Canada.

Ernst + Young
Chartered Accountants

Calgary, Canada
February 24, 1994

consolidated statement of income and reinvested earnings

Year Ended December 31 (millions of dollars, except for per share data)	1993	1992	1991
Revenue	$ 3,274	$ 3,027	$ 3,074
Operating costs and expenses			
Operating expenses	2,466	2,231	2,411
Depreciation and depletion	324	289	300
	2,790	2,520	2,711
Operating income	484	507	363
Other income (deductions)			
Interest expense (Note 2)	(313)	(330)	(341)
Allowance for funds used during construction	14	17	23
Equity in earnings of affiliates	49	39	33
Gain (loss) on sale of assets (Note 9)	29	–	(8)
Restructuring charge (Note 3)	–	–	(750)
General and corporate	(18)	(19)	(27)
	(239)	(293)	(1,070)
Income (loss) from continuing operations before income taxes	245	214	(707)
Income taxes (Note 4)	(43)	(50)	78
Net income (loss) from continuing operations	202	164	(629)
Discontinued operation (Note 5)	–	–	(294)
Net income (loss)	202	164	(923)
Less preferred share dividends	(11)	(12)	(14)
Net income (loss) to common shareholders	191	152	(937)
Reinvested earnings (deficit), beginning of year	57	(483)	574
Transfer from common share capital	–	483	–
Excess paid over book value on common shares repurchased	(10)	–	–
Less common share dividends	(98)	(95)	(120)
Reinvested earnings (deficit), end of year	$ 140	$ 57	$ (483)
Average number of common shares outstanding (millions)	407	388	313
Net income (loss) from continuing operations per common share			
Basic and fully diluted	$ 0.47	$ 0.39	$ (2.05)
Net income (loss) per common share			
Basic and fully diluted (Note 22)	$ 0.47	$ 0.39	$ (2.99)

In 1992, pursuant to a resolution of its common shareholders, the Corporation reduced the stated common share capital by $483 million in order to eliminate the deficit as at December 31, 1991. In 1987, pursuant to a resolution of its Board of Directors and in conjunction with the reorganization of its share capital, the Corporation transferred the balance in the contributed surplus account of $227 million to reinvested earnings.

See accompanying notes to consolidated financial statements.

consolidated balance sheet

December 31 (millions of dollars)	1993	1992	1991
Assets			
Current assets			
Cash	$ 14	$ 17	$ 2
Receivables (Note 6)	504	448	383
Inventories (Note 7)	309	285	291
Assets held for sale (Notes 8 and 22)	165	–	–
	992	750	676
Investments and other assets (Note 9)	450	343	280
Plant, property and equipment, net (Note 10)	5,481	5,096	4,846
	$ 6,923	$ 6,189	$ 5,802
Liabilities and Common Shareholders' Equity			
Current liabilities			
Bank loans (Note 11)	$ 403	$ 222	$ 262
Accounts payable and accrued liabilities (Note 12)	566	538	535
Long-term debt instalments due within one year (Note 11)	182	81	106
	1,151	841	903
Long-term debt (Note 11)			
Cost-of-service	2,643	2,353	2,270
Non-cost-of-service	488	453	786
	3,131	2,806	3,056
Other deferred credits (Note 13)	190	188	142
Preferred shares – redeemable (Note 14)	176	182	189
Convertible debentures and common shareholders' equity			
Convertible debentures (Note 15)	150	150	150
Common shareholders' equity			
Common shares and warrants (Note 16)	1,938	1,928	1,832
Cumulative translation adjustment	47	37	13
Reinvested earnings (deficit)	140	57	(483)
	2,275	2,172	1,512
Contingencies and commitments (Notes 11, 14 and 19)			
	$ 6,923	$ 6,189	$ 5,802

See accompanying notes to consolidated financial statements.

On behalf of the board:

J.E. Newall
Director

H. N. Hotchkiss
Director

consolidated statement of cash flows

Year Ended December 31 (millions of dollars)	1993	1992	1991
Operating activities			
Net income (loss) from continuing operations	$ 202	$ 164	$ (629)
Depreciation and depletion	324	289	300
Deferred income taxes	27	34	(99)
Equity in earnings of affiliates	(49)	(39)	(33)
Loss (gain) on sale of assets	(29)	–	8
Non-cash items in restructuring charge	–	–	683
Other	(14)	3	(7)
Funds from continuing operations	461	451	223
Changes in non-cash working capital (Note 17)	(75)	(22)	23
Cash from continuing operations	386	429	246
Cash used by discontinued operation	–	–	(35)
	386	429	211
Investing activities			
Proceeds on sale of assets	35	–	325
Plant, property and equipment additions	(785)	(530)	(666)
Other assets and long-term investments	(182)	(66)	(18)
Cash received from long-term investments	47	47	35
Changes in non-cash working capital (Note 17)	(10)	–	(3)
	(895)	(549)	(327)
Financing activities			
Common shares issued	22	568	205
Long-term debt additions	699	727	714
Long-term debt repaid	(259)	(1,010)	(663)
Preferred shares purchased for cancellation	(6)	(7)	(6)
Common shares purchased for cancellation	(22)	–	–
Dividends	(109)	(107)	(134)
Changes in current bank loans	181	(40)	20
Changes in non-cash working capital (Note 17)	–	4	(21)
	506	135	115
Increase (decrease) in cash	(3)	15	(1)
Cash at beginning of year	17	2	3
Cash at end of year	$ 14	$ 17	$ 2

See accompanying notes to consolidated financial statements.

notes to consolidated financial statements

1. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared by management on the historical cost basis in accordance with accounting principles generally accepted in Canada and conform in all material respects with International Accounting Standards. All amounts are reported in Canadian dollars unless otherwise indicated. The significant accounting policies are as follows:

Principles of consolidation

The consolidated financial statements include the accounts of NOVA Corporation of Alberta (the "Corporation" or "NOVA"), which is incorporated under the laws of Alberta, and its subsidiaries.

Cost-of-service

Most of NOVA's natural gas services businesses and some operations in the petrochemicals business operate under billing arrangements which provide for the recovery of reasonable and necessary operating expenses, cost of feedstock and fuel, depreciation, amortization, income and other taxes, interest and net foreign exchange gains and losses in respect of debt service, and an assured rate of return on investment.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis with no allocation of fixed production overhead.

Investments

The Corporation accounts for its investments in affiliates and joint ventures in which it is able to exercise significant influence by the equity method. Under this method, the investment is carried at cost plus the related share of undistributed earnings. Other investments are carried at cost.

Plant, property and equipment

Plant, property and equipment are carried at cost. Financing costs incurred during major construction are capitalized as part of the cost of the asset.

Future removal and site restoration costs are provided for on a straight-line basis over the expected remaining economic lives of the assets when such costs can be reasonably determined.

The Corporation's investment in oil and gas exploration and development activities is accounted for under the successful efforts method of accounting.

Depreciation and depletion

Plant and equipment are depreciated on a straight-line basis at annual rates varying from 2% to 33%. These rates are designed to write these assets off over their estimated useful lives. Oil and gas assets are amortized on the unit-of-production method.

Allowance for funds used during construction

For most of NOVA's natural gas services businesses and some operations in the petrochemicals business, a return on capital invested in new facilities under construction is recoverable from customers and is included in income.

Income taxes

The agreements for certain cost-of-service operations provide for the recovery of income taxes on the taxes payable method. The income tax provision recorded for these operations represents only the income taxes deemed to be currently payable and recoverable under the billing mechanism in place.

For non-cost-of-service operations the deferral method of tax allocation accounting is followed.

Pension plans

The agreements for certain cost-of-service operations provide for the recovery of pension costs on the basis of cash contributions. The pension expense for these operations represents only contributions made to the pension plans during the year and therefore recoverable under the billing mechanism in place.

For non-cost-of-service operations the cost of pension benefits earned by employees is determined using the projected benefit method prorated on service and is charged to expense as services are rendered. The cost of pension benefits reflects management's best estimates of the expected investment yields, salary escalations, mortality rates, terminations and the age at which members will retire. Adjustments arising from plan amendments, experience gains and losses, and changes in assumptions are amortized on a straight-line basis over the estimated average remaining service lives of the employee groups. The adjusted market value of pension plan assets is determined based on a four-year moving average of pension plan asset market values.

Post-retirement benefits other than pensions

The Corporation provides certain medical care and life insurance benefits to eligible retirees and their dependants. The agreements for certain cost-of-service operations provide for the recovery of such benefits on the basis of cash contributions. The post-retirement benefit expense for these operations represents only contributions made during the year and therefore recoverable under the billing mechanism in place.

Prior to January 1, 1993, the cost of providing these benefits for non-cost-of-service operations was expensed when paid. Beginning January 1, 1993, the Corporation expenses these costs during the periods in which the employees render services.

Foreign currency translation

The Corporation's foreign operations are considered self-sustaining and are translated into Canadian dollars using the current rate method. Resulting translation gains or losses are deferred in a separate component of common shareholders' equity entitled "Cumulative Translation Adjustment" until there is a realized reduction of the investment in the foreign operation.

Foreign denominated long-term monetary items (principally long-term debt) are translated at the current rate of exchange. For cost-of-service operations, the exchange differential is recoverable from customers and is reported as a reduction or addition in the associated long-term monetary item. For non-cost-of-service operations, the unrealized translation gains or losses are deferred and amortized over the remaining lives of the related items.

Interest rate swap agreements

The differential to be paid or received is accrued as interest rates change and is recognized over the lives of the agreements.

Hedging activity

The Corporation enters into forward contracts and options as a hedge against changes in commodity prices or foreign exchange rates. Market value gains and losses are recognized, offsetting the effect of increases or decreases in commodity purchase prices or foreign exchange gains or losses on foreign cash flows.

Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

2. Interest Expense

Year Ended December 31 (millions of dollars)	1993	1992	1991
Interest on long-term debt	$ 294	$ 304	$ 339
Interest on short-term obligations	15	19	32
Interest on convertible debentures	9	9	9
Interest allocated to discontinued operation	–	–	(35)
Interest income	(5)	(2)	(4)
	$ 313	$ 330	$ 341

3. Restructuring Charge

During 1991, NOVA reduced and decentralized senior management, closed certain non-competitive petrochemicals plants and launched a comprehensive strategic review of each of the Corporation's petrochemicals businesses. As a result of these restructuring steps and expectations that petrochemical prices would remain depressed for some time, NOVA recorded a charge against earnings of $750 million (after-tax $675 million).

4. Income Taxes

Income tax expense varies from amounts computed by applying the Canadian federal and provincial statutory income tax rates to income (loss) from continuing operations before income taxes as shown in the following table:

Year Ended December 31 (millions of dollars)	1993	1992	1991
Statutory income tax rate	44.3%	44.3%	44.2%
Income (loss) from continuing operations before income taxes	$ 245	$ 214	$ (707)
Computed income tax expense (recovery)	$ 109	$ 95	$ (312)
Increase (decrease) in taxes resulting from:			
Lower effective foreign tax rates	(6)	(2)	12
Non-provision of deferred income taxes on cost-of-service operations(1)	(26)	(32)	(25)
Non-deductible depreciation	1	1	13
Manufacturing and processing deduction	(3)	(2)	9
Non-taxable equity in earnings of affiliates	(15)	(11)	(15)
Non-taxable allowance for funds used during construction	(6)	(7)	(10)
Non-deductible amounts in restructuring charge	–	–	245
Non-taxable gain on sale of investment	(13)	–	–
Other	2	8	5
Income tax expense (recovery)	$ 43	$ 50	$ (78)
Current income taxes	$ 16	$ 16	$ 21
Deferred income taxes(2)	27	34	(99)
Income tax expense (recovery)	$ 43	$ 50	$ (78)

(1) Agreements for certain cost-of-service operations provide for the recovery of income taxes from customers. NOVA records income tax expense on these operations equal to the amounts recoverable under the agreements and therefore, there is no effect on net income. Some agreements limit the recoverable income taxes to current taxes payable. Accordingly the provision for income taxes excludes deferred income tax expense relating to these agreements. Cumulative unrecorded deferred income taxes payable amounted to $400 million at December 31, 1993 (1992 - $374 million, 1991 - $342 million).

(2) The principal timing difference in calculating deferred income taxes, for both cost-of-service and non-cost-of-service operations, relates to deductions for tax purposes in respect of plant, property and equipment in excess of depreciation provided for in the accounts.

5. Discontinued Operation

Effective June 1, 1991, NOVA accounted for its 43% interest in Husky Oil Ltd. ("Husky") as an asset held for sale and no longer included its share of Husky's earnings or losses in NOVA's net income. NOVA's $14 million share of Husky's 1991 loss plus an allocation of $35 million in interest expense less an income tax recovery of $14 million resulted in a 1991 net loss from discontinued operation of $35 million. On December 31, 1991, NOVA completed the sale of its interest in Husky for proceeds of $325 million which were used to reduce non-cost-of-service debt. A loss on disposal of $259 million, net of income tax recovery of $30 million, was recognized on the transaction.

6. Receivables

December 31 (millions of dollars)	1993	1992	1991
Trade	$ 444	$ 357	$ 287
Other	67	99	102
Allowance for doubtful accounts	(7)	(8)	(6)
	$ 504	$ 448	$ 383

The Corporation sells trade receivables to certain financial institutions on a revolving basis to certain limits. Recourse to the Corporation is limited to a maximum of 10% of the amount outstanding at any point in time. At December 31, 1993, trade receivables sold amounted to $70 million (1992 - $126 million, 1991 - $121 million).

7. Inventories

December 31 (millions of dollars)	1993	1992	1991
Materials and supplies	$ 97	$ 103	$ 88
Raw materials	91	84	119
Work in process	6	7	7
Finished goods	115	91	77
	$ 309	$ 285	$ 291

8. Assets Held for Sale

Subsequent to December 31, 1993, the Corporation sold for cash its wholly-owned subsidiary Novalta Resources Inc. and its 50% partnership interest in the TQM Pipeline Partnership. The assets of Novalta and TQM which had been previously classified as long-term have been classified as current at December 31, 1993. These assets consist of the property, plant and equipment of Novalta ($133 million) and the partnership interest in TQM ($32 million) (see Note 22).

9. Investments and Other Assets

December 31 (millions of dollars)	1993	1992	1991
Natural gas services investments	$ 196	$ 202	$ 144
Petrochemicals investments	225	104	104
Other assets	29	37	32
	$ 450	$ 343	$ 280

Natural gas services investments

Natural gas services investments at December 31, 1993, 1992 and 1991 included a 50% interest in Foothills Pipe Lines Ltd., the company responsible for the planning, construction and operation of the Canadian segment of the Alaska Natural Gas Transportation System. During 1993, Foothills Pipe Lines Ltd. billed NOVA $66 million for gas transportation services (1992 - $64 million, 1991 - $85 million). During 1992, NOVA acquired a 16.2% interest in Gasinvest S.A., which owns 70% of the northern segment of Argentina's natural gas pipeline system. The Corporation's investment in the TQM Pipeline Partnership, which was classified as a natural gas services investment for December 31, 1992 and 1991, has been classified as an asset held for sale as at December 31, 1993 (see Notes 8 and 22).

Petrochemicals investments

Petrochemicals investments at December 31, 1993, 1992 and 1991 included a 20% interest in the Cochin pipeline which transports ethane, ethylene and other products from Alberta to markets in Ontario and the United States; a 50% interest in the Fort Saskatchewan Ethylene Storage Limited Partnership; a 33.3% interest in an ethane gathering system in Alberta; a 50% interest in the Catalytic Distillation Technologies Partnership which develops and sells technology, principally to the refining industry, and is located in Texas; a 42% interest in Shincor Silicones, Inc. which operates a silicone plant in Ohio; and a 50% interest in Pan-Alberta Resources Inc. which owns an ethane extraction plant in Alberta. Petrochemicals investments at December 31, 1993 also included a 9% interest in Methanex Corporation which produces and markets chemical grade methanol, ammonia and synthetic gasoline. The market value of the Corporation's investment in Methanex shares at December 31, 1993 was approximately $161 million (see Note 22).

Other assets

Other assets include deferred debt issue costs which are being amortized over the terms of the related debt instruments. Also included in 1992 and 1991 is a 31.7% interest in a valve manufacturer which the Corporation sold in 1993 for a gain of $25 million.

10. Plant, Property and Equipment

December 31 (millions of dollars)	1993	1992	1991
Cost			
Natural gas services	$ 4,811	$ 4,295	$ 3,875
Petrochemicals	2,789	2,720	2,631
Other	27	26	37
	$ 7,627	$ 7,041	$ 6,543
Accumulated depreciation			
Natural gas services	$ 1,162	$ 1,020	$ 915
Petrochemicals	979	920	771
Other	5	5	11
	$ 2,146	$ 1,945	$ 1,697
Net book value			
Natural gas services	$ 3,649	$ 3,275	$ 2,960
Petrochemicals	1,810	1,800	1,860
Other	22	21	26
	$ 5,481	$ 5,096	$ 4,846

11. Long-term Debt

December 31 (millions of dollars)		Maturity	1993	1992	1991
NOVA Corporation of Alberta					
Unsecured debentures and term notes[(1)]					
8-1/8%	Series 5		$ –	$ –	$ 21
11-3/8%	Series 6		–	27	31
17-3/4%	Series 8	1997	23	27	30
12-1/8%	Series 9		–	100	100
11-1/8%	Series 12		–	50	50
11.95%	Series 13	2007	114	120	125
10-3/4%	Series 14	1999	100	100	100
11.70%	Series 15	2008	144	150	150
11.15%	Series 16	1994	150	150	150
10.95%	Series 17	1994	100	100	100
11.20%	Series 18	2014	150	150	150
12-5/8%	Series 19	2010	100	100	100
11-7/8%	Series 20	2001	100	100	100
12.20%	Series 21	2016	125	125	125
8.30%	Series 22	2003	150	–	–
10%	Series B	1996	100	100	100
8-3/4%	Series C ($U.S.)	1994	132	127	116
8-1/2%	($U.S.)	2012	232	222	–
9.65%	($U.S.)		–	–	40
9.95%	($U.S.)	1995	99	95	87
9-3/4%	($U.S.)	1997	172	165	150
9.45%	($U.S.)	1998	199	191	173
7-7/8%	($U.S.)	2002	165	159	–
7-7/8%	($U.S.)	2023	265	–	–
Swiss francs[(2)]			–	–	62
Unsecured bank loans and notes[(2)]		Various	214	12	358
			2,834	2,370	2,418
Exchange differential related to cost-of-service customers			(93)	(38)	18
			2,741	2,332	2,436
Subsidiaries					
Secured loans					
Ethylene plant I					
Secured loan ($U.S.)[(2)]		1998	159	182	–
8-1/4% Secured notes ($U.S)			–	–	115
Ethylene plant II					
Secured loan ($U.S.)[(2)]		2004	186	195	193
Secured notes					
13-3/4% Series A ($U.S.)		1999	18	21	22
9.85% Series B ($U.S.)		2004	22	23	23
Secured bank loan[(2)]		2004	11	12	14
			396	433	367

December 31 (millions of dollars)	Maturity	1993	1992	1991
Exchange differential related to cost-of-service customers		(27)	(12)	20
		369	421	387
Other secured loans[2]	Various	203	93	255
		572	514	642
Unsecured loans[2]	Various	–	41	84
		3,313	2,887	3,162
Less instalments due within one year		182	81	106
		$ 3,131	$ 2,806	$ 3,056
Cost-of-service[3]		$ 2,643	$ 2,353	$ 2,270
Non-cost-of-service		488	453	786
		$ 3,131	$ 2,806	$ 3,056

(1) As at December 31, 1993, all unsecured debentures and term notes listed under NOVA Corporation of Alberta are included in the Alberta Gas Transmission Division's cost-of-service debt except for Series 14,16 and 17.

(2) The interest rate is a function of generally prevailing money market interest rates, Canadian bank prime rates and London Inter Bank Offered Rates. The composite average interest rate for these loans at December 31, 1993 was approximately 5.3% (1992 - 5-3/4%, 1991 - 8-3/4%).

(3) Long-term debt classified as cost-of-service debt represents the debt component of the capital structure for the rate base of the Corporation's cost-of-service operations. These regulated operations are subject to agreements under which the billing mechanism includes an assured return to provide for the repayment of such debt and the payment of interest expense. Realized foreign exchange gains or losses on such debt are also for the account of the customer.

Ethylene plant I

This financing is secured by a first fixed and floating charge on the first ethylene plant, the ethylene pipeline and related assets and by the assignment of certain related contracts.

Ethylene plant II

This financing is secured by charges on certain of the proceeds of the ethylene sales contracts for the second ethylene plant, charges on related performance guarantees and a first fixed charge on the second ethylene plant and certain related contracts.

Other secured loans

Other loans of $203 million in subsidiaries at December 31, 1993 (1992 - $93 million, 1991 - $255 million) are secured by certain property, plant and equipment and other assets and agreements of the subsidiaries.

Current bank loans

Current bank loans of $403 million at December 31, 1993 (1992 - $222 million, 1991 - $262 million) include loans of $280 million (1992 - $33 million, 1991 - $40 million) which are secured by certain property, plant and equipment and other assets and agreements.

Sinking fund and repayment requirements

Sinking fund and repayment requirements in respect of long-term debt for the five years following December 31, 1993 are: 1994 - $182 million; 1995 - $303 million; 1996 - $260 million; 1997 - $195 million; 1998 - $189 million. Long-term debt of $369 million at December 31, 1993, which NOVA will refinance in 1994 with long-term funding, has been excluded from sinking fund and repayment requirements.

Lines of credit

At December 31, 1993, the Corporation had unutilized contracted credit facility agreements with a number of Canadian banks aggregating approximately $965 million. The credit facilities expire between March 1994 and December 1998 but may be renegotiated at those dates. NOVA may borrow in Canadian or U.S. dollars and other freely available European currencies at interest rates related to Canadian and U.S. prime rates or the London Inter Bank Offered Rates.

12. Accounts Payable and Accrued Liabilities

December 31 (millions of dollars)	1993	1992	1991
Accounts payable			
Trade	$ 335	$ 320	$ 263
Other	27	29	61
	362	349	324
Accrued liabilities			
Interest	77	78	86
Site cleanup and restoration (current portion)	3	6	11
Other	69	61	84
	149	145	181
Income taxes payable	27	16	7
Dividends payable	28	28	23
	$ 566	$ 538	$ 535

13. Other Deferred Credits

December 31 (millions of dollars)	1993	1992	1991
Deferred income taxes	$ 93	$ 64	$ 35
Site cleanup and restoration (long-term portion)	54	52	44
Other	43	72	63
	$ 190	$ 188	$ 142

Other deferred credits include a deferred gain from the sale and leaseback of the Corporation's head office building, long-term costs associated with rationalization and restructuring, and accruals for other long-term liabilities.

14. Preferred Shares – Redeemable

(a) Authorized

Unlimited number of cumulative first, second and junior preferred shares without par value.
100,000,000 subordinated junior preferred shares without par value.

(b) Issued and outstanding

December 31	1993	1992	1991	1993	1992	1991
		(number of shares)			*(millions of dollars)*	
Related to cost-of-service operations						
First preferred shares						
7-3/4%	409,595	446,795	482,995	$ 10	$ 11	$ 12
9-3/4%	412,140	475,240	506,059	11	12	13
9.76%	565,401	644,401	725,001	14	16	18
7.60%	1,641,820	1,731,820	1,824,720	41	43	46
Variable rate	3,997,700	3,997,700	–	100	100	–
				176	182	89
Related to non-cost-of-service operations						
First preferred shares						
Variable rate	–	–	3,997,700	–	–	100
				$ 176	$ 182	$ 189

(c) Commentary

All sinking fund and purchase fund requirements are at prices not in excess of the stated price plus accrued dividends, if any, and the expenses related to the purchase. Purchase requirements are approximately $7 million in 1994 and $10 million per year from 1995 through 1998.

7-3/4% Stock Exchange Symbol E (Annual Dividend – $1.94)

7-3/4% preferred shares are redeemable at $25.50 per share on or before May 15, 1994 and at $25.25 thereafter. There is a purchase fund requirement of $750,000 annually to the extent shares are available, at a price not in excess of $25.00 per share. The purchase fund is cumulative to a maximum of $1,500,000 in any calendar year.

9-3/4% Stock Exchange Symbol F (Annual Dividend – $2.44)

9-3/4% preferred shares are redeemable at $25.00 per share. There is a cumulative sinking fund obligation of 64,000 shares annually at a price not in excess of $25.00 per share by May 15 of each year. Additionally, the Corporation may redeem annually, through the operation of a non-cumulative optional sinking fund, 48,000 shares at $25.00 plus accrued and unpaid dividends.

9.76% Stock Exchange Symbol G (Annual Dividend – $2.44)

9.76% preferred shares are redeemable at $25.00 per share. There is a cumulative sinking fund obligation of 96,000 shares annually at a price of $25.00 per share by November 15 of each year. Additionally, the Corporation may redeem annually, through the operation of a non-cumulative optional sinking fund, 72,000 shares at $25.00 plus accrued and unpaid dividends.

7.60% Stock Exchange Symbol H (Annual Dividend – $1.90)

7.60% preferred shares are redeemable at $25.00 per share. There is a purchase fund requirement of 90,000 shares annually to the extent shares are available, at a price not in excess of $25.00 per share. If the Corporation has made a reasonable effort, but is unable to purchase an aggregate of 90,000 shares in any calendar year, it may extinguish its obligation to purchase shares for that calendar year.

Variable Rate Stock Exchange Symbol O

The dividend rate on these shares was 9-1/8% until February 15, 1990. After this date the dividend rate is 70% of the average Canadian prime interest rate. For 1993 this resulted in a dividend rate of 4.51% or $1.13 per share (1992 - 5.32% or $1.33 per share, 1991 - 7.64% or $1.91 per share). These shares were added to the Alberta Gas Transmission Division's deemed cost-of-service capitalization effective January 1, 1992.

Variable rate preferred shares are redeemable at $25.00 per share and are retractable on February 15, 1995 at $25.00 per share. There is a purchase fund requirement to purchase 3% of the shares outstanding annually, commencing February 16, 1995, at a price not in excess of $25.00 per share. If the Corporation has made a reasonable effort, but is unable to purchase the required number of shares in any 12 month period, it may extinguish its obligation to purchase shares for that 12 month period.

(d) Purchases

During 1993, the Corporation purchased 269,300 shares for redemption or cancellation (1992 - 240,519 shares, 1991 - 254,100 shares).

15. Convertible Debentures

The convertible debentures, which are unsecured and mature on February 15, 2008, pay a minimum interest rate of 6-1/4%. They are convertible, at the holder's option, until February 15, 2008, into common shares of the Corporation at an initial conversion price of $10.70 per share, subject to adjustment in certain events, which equates to 14,018,692 common shares. The debentures are redeemable at par.

The convertible debentures have been reported under the caption "Convertible Debentures and Common Shareholders' Equity" on the balance sheet. At its option on maturity, the Corporation may issue common shares in respect of the principal amount of the outstanding debentures at then-prevailing market prices. The Corporation anticipates that the convertible debentures will ultimately be converted into common shares.

16. Common Shares and Warrants

(a) Authorized

Unlimited number of voting common shares without par value.

5,000,000 warrants.

(b) Issued and outstanding

December 31	1993	1992	1991	1993	1992	1991
	(number of shares and warrants)			*(millions of dollars)*		
Common shares	406,724,952	406,280,031	325,660,912	$ 1,937	$ 1,927	$ 1,831
Warrants	28,100	38,875	88,275	1	1	1
				$ 1,938	$ 1,928	$ 1,832

(c) Common shares issued

Changes in the common share capital for the three years ended December 31, 1993, are summarized as follows:

	Number of Shares	Common Share Capital
		(millions of dollars)
December 31, 1990	299,625,333	$ 1,622
For cash	25,000,000	201
For cash under the dividend reinvestment and share purchase plan	840,283	7
On exercise of 26,050 warrants	78,150	–
For cash on exercise of stock options (at prices ranging from $5.97 to $8.53)	117,146	1
	26,035,579	209
December 31, 1991	325,660,912	1,831
For cash	80,000,000	574
For cash under the dividend reinvestment and share purchase plan	460,813	4
On exercise of 49,400 warrants	148,200	1
For cash on exercise of stock options (at $6.82)	10,106	–
Transfer to reinvested earnings(1)	–	(483)
	80,619,119	96
December 31, 1992	406,280,031	1,927
For cash under the dividend reinvestment and share purchase plan	508,218	5
On exercise of 10,775 warrants	32,325	–
For cash on exercise of stock options (at prices ranging from $6.82 to $8.625)	2,404,378	17
Repurchased for cash	(2,500, 000)	(12)
	444,921	10
December 31, 1993	406,724,952	$ 1,937

(1) In 1992, pursuant to a resolution of its common shareholders, the Corporation reduced the stated common capital by $483 million in order to eliminate the deficit as at December 31, 1991.

(d) Common shares reserved for future issue

December 31	1993	1992	1991
		(number of shares)	
Under the dividend reinvestment and share purchase plan	2,358,172	2,866,390	3,327,203
For exercise of convertible debentures (Note 15)	14,018,692	14,018,692	14,018,692
For exercise of warrants	84,300	116,625	264,825
Under the incentive stock option plan (1982)(1)	19,085,675	21,490,000	13,336,450
	35,546,839	38,491,707	30,947,170

(1) Under the incentive stock option plan (1982), options are outstanding to officers and employees to purchase 12,611,025 common shares at prices ranging from $6.875 to $12.67 per share (1992 - 12,871,725 shares at prices ranging from $6.82 to $12.67 per share; 1991 - 11,076,475 shares at prices ranging from $6.82 to $12.67 per share) with expiration dates between April 9, 1994 to December 9, 2003 and 6,474,650 common shares are reserved but unallocated (1992 - 8,618,275 shares; 1991- 2,259,975 shares).

(e) Common share dividends

Common share dividends paid amounted to $98 million or 24 cents per share in 1993, $95 million or 24 cents per share in 1992 and $120 million or 45 cents per share in 1991.

(f) Warrants

The warrants were issued in 1986 at a price of $15.00 per warrant. Each warrant entitles the holder at his or her option to obtain on exercise three common shares at any time before July 31, 1996, or either one no par value first preferred share or one no par value second preferred share from August 1, 1991 to July 31, 1996. The Corporation may purchase for cancellation any or all of the warrants outstanding in the markets.

17. Changes in Non-cash Working Capital

Year Ended December 31 (millions of dollars)	1993	1992	1991
Receivables	$ (56)	$ (65)	$ 57
Assets held for sale	(165)	–	–
Inventories	(24)	6	64
Accounts payable and accrued liabilities	28	3	(93)
Changes in non-cash working capital	(217)	(56)	28
Reclassification and other items not having a cash effect:			
Assets held for sale	146	–	–
Write-down of non-cash working capital items included in restructuring charge	–	–	(47)
Other items	(14)	38	18
Changes in non-cash working capital having a cash effect	$ (85)	$ (18)	$ (1)
These changes relate to the following activities:			
Operating	$ (75)	$ (22)	$ 23
Investing	(10)	–	(3)
Financing	–	4	(21)
	$ (85)	$ (18)	$ (1)

Interest paid during 1993 amounted to $319 million (1992 - $340 million, 1991 - $372 million). Income taxes paid during 1993 amounted to $5 million (1992 - $7 million, 1991 - $50 million).

18. Post-retirement Benefits

Pension plans

The Corporation has pension plans covering substantially all employees. Pensions at retirement are related to years of service and remuneration during the last years of employment and are partially indexed to inflation. Actuarial reports are prepared regularly by independent actuaries for accounting and funding purposes. Funding by the Corporation is made in accordance with the projected unit credit method and applicable legislation. Assets of the plan consist primarily of publicly traded equity and fixed income securities. In 1993 the assumed future rates of return on assets and discount rates used to determine the estimated projected benefit obligations of the plans were 8% (1992 - 9%, 1991 - 9%). In 1993 the assumed long-term salary and wage escalation rates, excluding merit increases, averaged 4.5% (1992- 5.5%, 1991 - 5.5%).

Net pension expense consisted of the following:

Year Ended December 31 (millions of dollars)	1993	1992	1991
Current service costs	$ 22	$ 19	$ 12
Interest cost on projected benefit obligations	33	31	25
Return on assets	(30)	(32)	(31)
Net total of other components	1	(2)	(5)
	26	16	1
Amounts attributable to cost-of-service contracts	(9)	(5)	3
Net pension expense	$ 17	$ 11	$ 4

The status of the pension plans is as follows:

December 31 (millions of dollars)	1993	1992	1991
Estimated obligations			
Projected benefits based on service to date and present remuneration	$ 310	$ 278	$ 212
Additional amounts related to projected salary and wage increases	140	126	84
Total projected benefit obligations	450	404	296
Assets available at adjusted market value	420	393	360
Excess (deficiency) of assets over (under) projected benefit obligations	$ (30)	$ (11)	$ 64

The excess in 1991 was eliminated in 1992 principally because of two factors. The plans were amended to reflect increasing Revenue Canada limits on the maximum pension payable from a registered pension plan. Assumptions used to determine the pension obligations were revised to better reflect the future economic outlook. The deficiency of assets to projected benefit obligations will be recognized over the expected average remaining service life of the employees, which is 16 years.

The adjusted market value of plan assets is determined on a four-year moving average basis. Based on year-end market values, the Corporation's pension plan assets at December 31, 1993 amounted to $466 million (1992 - $384 million, 1991 - $362 million).

Post-retirement benefits other than pensions

Effective January 1, 1993 NOVA prospectively changed the method used in accounting for post-retirement benefits other than pensions. The Corporation now accrues the expected costs of providing these benefits for non-cost-of-service operations during the periods in which the employees render service. The post-retirement benefit obligations are recognized over the expected average remaining service life of the employees, which is 16 years. In 1993, the assumed long-term salary and wage escalation rates, excluding merit increases, averaged 4.5%. Long-term medical inflation was assumed to be 5.5% and the discount rate used to calculate the accumulated post-retirement benefit

obligations was 8%. As a result of this change in accounting policy, 1993 net income has been reduced by approximately $2 million. Post-retirement benefit costs are funded as they are incurred.

Prior to 1993, post-retirement benefit costs were expensed as they were incurred. The accumulated unrecorded post-retirement benefit obligation as at December 31, 1993 was approximately $37 million. It is being amortized over the estimated average remaining service life of the employees, which is 16 years.

19. Contingencies and Commitments

(a) The Corporation leases office space, data processing and transportation equipment under various operating leases. The minimum lease payments, net of recoveries under cost-of-service operations and sub-leases, are approximately $45 million in 1993, $40 million in 1994, $33 million in 1995, $28 million in 1996, $25 million in 1997, $16 million in 1998 and an aggregate of $14 million in subsequent years.

(b) The sale and leaseback agreement for the Corporation's head office building provides that, on or after January 1, 1995, the Corporation offer to purchase the building for $157 million when the lease expires on December 31, 1997.

(c) In addition to the future site cleanup and restoration costs which have been accrued (see Notes 12 and 13), costs will be incurred in the future for plant sites when they are sold or no longer used in the Corporation's operations. The liability with respect to these costs is not currently determinable.

(d) Various lawsuits and claims are pending by and against the Corporation. It is the opinion of management that final determination of these claims will not materially affect the financial position or operating results of the Corporation.

(e) NOVA has set the 1994 rate of return for its Alberta Gas Transmission Division (AGTD) to reflect a 12.25% return on a deemed common equity component of 32%. The Canadian Association of Petroleum Producers (CAPP) has requested a review by the Public Utilities Board of Alberta (PUB). CAPP has requested that the PUB set AGTD's rate of return to reflect an 11% return on a deemed common equity component of 25%.

20. Segmented Information on Continuing Operations

The principal business segments of the Corporation are as follows:

Natural gas services – transportation of natural gas by pipeline, and related activities.

Petrochemicals – production and marketing activities for various petrochemicals products.

(a) Financial information by business segment

Year Ended December 31 *(millions of dollars)*	1993	1992	1991
Revenue			
Natural gas services	$ 966	$ 877	$ 821
Petrochemicals	2,308	2,150	2,253
	$ 3,274	$ 3,027	$ 3,074
Operating income			
Natural gas services	$ 405	$ 406	$ 365
Petrochemicals	79	101	(2)
	$ 484	$ 507	$ 363
Equity in earnings of affiliates			
Natural gas services	$ 29	$ 22	$ 22
Petrochemicals	20	17	11
	$ 49	$ 39	$ 33
Identifiable assets			
Natural gas services	$ 4,208	$ 3,790	$ 3,275
Petrochemicals	2,696	2,373	2,440
Corporate	19	26	87
	$ 6,923	$ 6,189	$ 5,802
Plant, property and equipment additions			
Natural gas services	$ 523	$ 451	$ 555
Petrochemicals	262	79	111
	$ 785	$ 530	$ 666
Depreciation and depletion			
Natural gas services	$ 156	$ 141	$ 121
Petrochemicals	168	148	179
	$ 324	$ 289	$ 300

(b) Financial information by geographic area based on location of the manufacturing facilities

Year Ended December 31 (millions of dollars)	1993	1992	1991
Revenue			
Canada	$ 2,978	$ 2,755	$ 2,773
United States	296	272	301
	$ 3,274	$ 3,027	$ 3,074
Operating income (loss)			
Canada	$ 495	$ 517	$ 379
United States	(11)	(10)	(16)
	$ 484	$ 507	$ 363
Identifiable assets			
Canada	$ 6,418	$ 5,836	$ 5,460
United States	441	307	342
Other	64	46	–
	$ 6,923	$ 6,189	$ 5,802

(c) Financial information on cost-of-service/non-cost-of-service operations

Year Ended December 31 (millions of dollars)	1993	1992	1991
Revenue			
Cost-of-service	$ 1,294	$ 1,198	$ 1,163
Non-cost-of-service	1,980	1,829	1,911
	$ 3,274	$ 3,027	$ 3,074
Operating income (loss)			
Cost-of-service	$ 477	$ 488	$ 455
Non-cost-of-service	7	19	(92)
	$ 484	$ 507	$ 363
Identifiable assets			
Cost-of-service	$ 4,520	$ 4,144	$ 3,790
Non-cost-of-service	2,403	2,045	2,012
	$ 6,923	$ 6,189	$ 5,802
Plant, property and equipment additions			
Cost-of-service	$ 594	$ 474	$ 583
Non-cost-of-service	191	56	83
	$ 785	$ 530	$ 666
Depreciation			
Cost-of-service	$ 215	$ 198	$ 176
Non-cost-of-service	109	91	124
	$ 324	$ 289	$ 300

Year Ended December 31 (millions of dollars)	1993	1992	1991
Contribution to net income (loss) from continuing operations			
Cost-of-service			
Operating income	$ 477	$ 488	$ 455
Interest expense	(235)	(232)	(224)
Allowance for funds used during construction	14	17	23
Equity in earnings of affiliates	31	32	33
Income taxes	(80)	(89)	(78)
	207	216	209
Non-cost-of-service			
Operating income (loss)	7	19	(92)
Interest expense	(78)	(98)	(117)
Equity in earnings of affiliates	18	7	–
Gain (loss) on investments	29	–	(8)
Restructuring charge	–	–	(750)
General and corporate	(18)	(19)	(27)
Income taxes	37	39	156
	(5)	(52)	(838)
Net income (loss) from continuing operations	$ 202	$ 164	$ (629)

(d) Export sales from Canadian operations

Year Ended December 31 (millions of dollars)	1993	1992	1991
United States	$ 527	$ 484	$ 535
Other	176	243	281
	$ 703	$ 727	$ 816

21. Reconciliation to Accounting Principles Generally Accepted in the United States of America

The consolidated financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in Canada which conform in most areas to accounting principles generally accepted in the United States. The following reconciliations reflect the differences in these accounting principles.

Year Ended December 31 (millions of dollars, except for per share data)	1993	1992	1991
Net income (loss) from continuing operations in accordance with Canadian basis	$ 202	$ 164	$ (629)
Add (deduct) adjustments for:			
Income taxes(1)	10	–	–
Foreign currency translation(2)	–	–	12
Inventory valuation adjustment(3)	1	2	9
Other	1	1	2
Net income (loss) from continuing operations in accordance with U.S. basis	214	167	(606)
Discontinued operation in accordance with Canadian basis	–	–	(294)
Foreign currency translation(2)	–	–	3
Discontinued operation in accordance with U.S. basis	–	–	(291)
Net income (loss) in accordance with U.S. basis	214	167	(897)
Preferred share dividend entitlement	(11)	(12)	(14)
Net income (loss) to common shareholders in accordance with U.S. basis	$ 203	$ 155	$ (911)

Year Ended December 31 (millions of dollars, except for per share data)	1993	1992	1991
Net income (loss) from continuing operations per common share in accordance with U.S. basis			
– Primary and fully diluted	$ 0.49	$ 0.40	$ (1.88)
Net income (loss) per common share in accordance with U.S. basis			
– Primary and fully diluted	$ 0.49	$ 0.40	$ (2.77)
Balance sheet items in accordance with U.S. basis			
Investments and other assets(1)	$ 850	$ 343	$ 280
Other deferred credits(1)	$ 580	$ 188	$ 142
Reinvested earnings (deficit)	$ 139	$ 44	$ (499)

(1) United States accounting principles require companies to recognize deferred income taxes based on the liability method, in accordance with Statement of Financial Accounting Standards No. 109 (FAS 109), whereas Canadian accounting principles require that the deferral method be used. Under the U.S. basis the Corporation is also required to record deferred income tax liabilities and long-term receivables for deferred income taxes to be collected from cost-of-service customers in future years. These amounts are not recorded under the Canadian basis. For U.S. basis accounting purposes the Corporation has adopted FAS 109 on a prospective basis effective January 1, 1993. The impact on net income for 1993 is the result of the cumulative effect to December 31, 1993.

(2) United States accounting principles require that long-term debt payable in foreign currencies be translated at the rates of exchange prevailing on the balance sheet date. The resulting translation gains or losses are included in the determination of net income for the period. Canadian accounting principles require that these gains or losses be deferred and amortized over the life of the long-term debt.

(3) United States accounting principles require an allocation of fixed production overhead to inventory. Canadian accounting principles allow these costs to be expensed during the period.

Fair values of financial instruments

This information is provided solely to comply with FAS 107 "Disclosures about Fair Value of Financial Instruments". The following methods and assumptions were used by the Corporation in estimating its fair value disclosures for financial instruments:

Cash and current bank loans

The carrying amounts reported in the balance sheet for cash and current bank loans approximate their fair value.

Long-term debt

The fair value of the Corporation's long-term debt is based on quoted market prices, where available. If quoted market prices are not available, fair values are estimated using discounted cash flow analyses, based on the Corporation's current incremental borrowing rates for similar types of borrowing arrangements.

Interest rate swap agreements

The fair values of these instruments are estimated based on quoted market prices of comparable contracts, adjusted through interpolation where necessary for maturity differences.

	Carrying amount(1)		Fair value(1)	
December 31 (millions of dollars)	1993	1992	1993	1992
Cash	$ 14	$ 17	$ 14	$ 17
Current bank loans	$ (403)	$ (222)	$ (403)	$ (222)
Long-term debt				
Cost-of-service	$ (2,753)	$ (2,425)	$ (3,022)	$ (2,614)
Non-cost-of-service	$ (560)	$ (462)	$ (588)	$ (480)
Interest rate swap agreements				
Cost-of-service	$ –	$ –	$ (30)	$ (27)
Non-cost-of-service	$ –	$ –	$ –	$ (1)

(1) Asset (liability)

22. Subsequent Events

(a) Acquisition of shares in Methanex Corporation

During January 1994, Methanex Corporation issued treasury shares to NOVA in exchange for NOVA's methanol business and $21 million cash. Also during January 1994, NOVA purchased additional shares in Methanex from a Methanex shareholder for $66 million. These shares, together with shares owned by NOVA at December 31, 1993, bring NOVA's total ownership in Methanex to approximately 24% of the outstanding common shares. NOVA's investment in Methanex will be accounted for using the equity method beginning in 1994 (see Note 9).

(b) Sale of Novalta Resources Inc.

During January 1994, the Corporation sold its wholly-owned oil and gas subsidiary, Novalta Resources Inc., for cash proceeds of approximately $265 million. A gain on disposition of approximately $120 million will be recognized in 1994 (see Note 8).

(c) Purchase of interest in Natural Gas Clearinghouse

In January 1994, the Corporation purchased a 36.5% interest in Natural Gas Clearinghouse (NGC) of Houston, Texas for approximately $225 million. NGC is a natural gas marketer in the United States with investments in natural gas marketing and in gas gathering and processing facilities. NOVA's investment in NGC will be accounted for using the equity method beginning in 1994.

(d) Purchase of DuPont Canada Inc.'s polyethylene business

Subsequent to year end, NOVA signed an agreement to purchase DuPont Canada Inc.'s polyethylene business for approximately $45 million plus working capital. The purchase includes DuPont Canada's polyethylene facility at Sarnia, Ontario, related working capital, the SCLAIR proprietary technology, and the SCLAIR technology licensing business.

(e) Sale of interest in TQM Pipeline Partnership

During January 1994, the Corporation sold its 50% interest in TQM Pipeline Partnership, a natural gas pipeline operator in Quebec, for cash proceeds of approximately $52 million. There was no after-tax gain or loss on the transaction (see Note 8).

(f) Sale of Common Shares

During February 1994, the Corporation received net proceeds of $481 million from the issue of 52.5 million common shares at a price of $9.55 per share. If the shares had been issued and the proceeds had been used to reduce non-cost-of-service debt on January 1, 1993, pro forma net income would have been 45 cents per common share.

unaudited supplemental financial information

Summarized Quarterly Financial Information

Three months ended		*March 31*		*June 30*		*September 30*		*December 31*	
(millions of dollars, except for share data)		1993	1992	1993	1992	1993	1992	1993	1992
Revenue	$	791	736	809	741	828	755	846	795
Operating income	$	127	106	113	127	125	134	119	140
Net income	$	46	27	68	37	45	47	43	53
Net income to common shareholders	$	43	24	66	34	42	44	40	50
Average number of common									
shares outstanding (millions)		407	349	407	391	407	406	407	406
Data per common share									
Net income(1)	$	0.11	0.07	0.16	0.09	0.10	0.11	0.10	0.12
Market price									
Toronto Stock Exchange									
High	$	9-3/8	8-7/8	10-1/8	8-7/8	9-7/8	9-1/8	9-1/2	9-1/8
Low	$	8-3/8	6-7/8	8-5/8	7-1/8	8-3/8	8-1/8	8-3/8	8
New York Stock Exchange									
High ($U.S.)	$	7-1/2	7-3/8	7-7/8	7-1/4	7-5/8	7-5/8	7-1/4	7-1/4
Low ($U.S.)	$	6-5/8	6	6-7/8	6	6-3/8	6-3/4	6-1/4	6-3/8
Dividends paid	$	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06

(1) The net income per common share is calculated based on the average number of shares outstanding during each period. As a result, the individual quarters may not add to the total for the year.

Coverage Ratios

Interest coverage on long-term debt for the year ended December 31, 1993(1)	1.8x
Net tangible asset coverage on long-term debt as at December 31, 1993(2)	
– after deferred income taxes	1.7x
– before deferred income taxes	1.7x

(1) Interest coverage on long-term debt is equal to net income before interest expense on long-term debt and income taxes divided by annual interest requirements on long-term debt.

(2) Net tangible asset coverage on long-term debt is equal to total assets less current liabilities (excluding current portion of long-term debt) divided by long-term debt.

For purposes of calculating these financial ratios, long-term debt includes convertible debentures and the current portion of long-term debt.

Summarized Financial Information on Principal Segments

(millions of dollars)	Natural Gas Services 1993	1992	1991	Petrochemicals 1993	1992	1991
Balance sheet						
Current assets	$ 343	$ 295	$ 171	$ 652	$ 469	$ 475
Investments and other assets	216	220	144	234	104	105
Plant, property and equipment	3,649	3,275	2,960	1,810	1,800	1,860
Total assets	4,208	3,790	3,275	2,696	2,373	2,440
Current liabilities	272	208	174	699	435	639
Long-term debt						
Cost-of-service	2,347	2,056	1,912	296	297	358
Non-cost-of-service(1)	–	–	1	153	195	237
Other deferred credits	31	38	43	213	122	192
Total liabilities	2,650	2,302	2,130	1,361	1,049	1,426
Capital investment	$ 1,558	$ 1,488	$ 1,145	$ 1,335	$ 1,324	$ 1,014
Income statement						
Revenue	$ 966	$ 877	$ 821	$ 2,308	$ 2,150	$ 2,253
Operating expenses	(405)	(330)	(335)	(2,061)	(1,901)	(2,076)
Depreciation	(156)	(141)	(121)	(168)	(148)	(179)
Operating income	405	406	365	79	101	(2)
Interest expense(2)	(227)	(214)	(202)	(90)	(116)	(138)
Other income (deductions)	28	34	46	28	8	(17)
Income (loss) before income taxes and restructuring charge	206	226	209	17	(7)	(157)
Income taxes(2)	(42)	(59)	(49)	(3)	9	49
Net income before restructuring charge(3)	$ 164	$ 167	$ 160	$ 14	$ 2	$ (108)
Cash flow						
Operating activities						
From operations(2)	$ 313	$ 279	$ 270	$ 158	$ 141	$ (10)
Changes in non-cash working capital items	4	(24)	(32)	(74)	2	43
	317	255	238	84	143	33
Investing activities						
Plant, property and equipment additions	(523)	(451)	(555)	(262)	(79)	(111)
Other	(3)	(37)	20	(122)(4)	18	–
	(526)	(488)	(535)	(384)	(61)	(111)
Cash flow before financing activities	$ (209)	$ (233)	$ (297)	$ (300)	$ 82	$ (78)

(1) Excludes an allocation of NOVA's corporate long-term debt of $335 million in 1993, $258 million in 1992, and $548 million in 1991.

(2) Includes an allocation of NOVA's corporate amounts.

(3) Excludes discontinued operation and unallocated corporate and other items. Corporate and other items represented a net gain of $24 million in 1993, a net loss of $5 million in 1992 and a net loss of $6 million in 1991.

(4) Other investing activities for 1993 include the purchase of Methanex shares for $160 million, less cash received from other investments.

Six-Year Financial Review

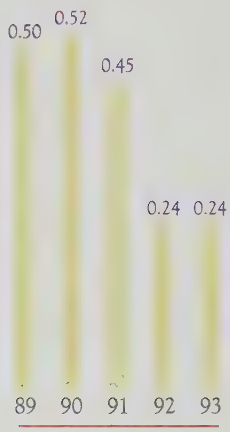
(millions of dollars, except per share amounts, ratios and miscellaneous data)	1993	1992	1991	1990[1]	1989	1988[2]
Operating results						
Revenue	$ 3,274	3,027	3,074	3,980	4,109	3,143
Operating income	$ 484	507	363	618	741	897
Net income (loss) from continuing operations before restructuring charge	$ 202	164	46	203	218	441
Net income (loss) from continuing operations	$ 202	164	(629)	203	218	441
Net income (loss)	$ 202	164	(923)	185	186	396
Net income (loss) to common shareholders	$ 191	152	(937)	167	168	374
Total assets	$ 6,923	6,189	5,802	6,681	7,590	7,646
Capitalization						
Short-term debt – non-cost-of-service	$ 403	222	262	242	268	215
Long-term debt[3] – cost-of-service	2,753	2,425	2,347	2,029	1,615	1,387
– non-cost-of-service	560	462	815	963	1,941	2,792[9]
Preferred shares – cost-of-service	176	182	89	95	104	116
– non-cost-of-service	–	–	100	100	100	100
Common equity[4]	2,275	2,172	1,512	2,368	2,359	1,855
Total capitalization	$ 6,167	5,463	5,125	5,797	6,387	6,465
Cash flow data						
Funds from continuing operations	$ 461	451	223	509	591	848
Spending on plant, property and equipment	$ 785	530	666	933	729	439
Capital issued – long-term debt	$ 699	727	714	806	441	1,646
– common and preferred equity	$ 22	568	205	7	454	534
Dividends – preferred shareholders	$ 11	12	14	18	18	22
– common shareholders	$ 98	95	120	155	142	99
Data per common share						
Net income (loss) from continuing operations						
– basic	$ 0.47	0.39	(2.05)	0.62	0.76	1.83
– fully diluted	$ 0.47	0.39	(2.05)	0.61	0.75	1.74
Net income (loss) – basic	$ 0.47	0.39	(2.99)	0.56	0.64	1.63
– fully diluted	$ 0.47	0.39	(2.99)	0.55	0.63	1.54
Dividends paid	$ 0.24	0.24	0.45	0.52	0.50	0.42
Common equity at year-end[5]	$ 5.40	5.17	4.45	7.54	7.54	7.14
Market price (TSE) – high	$ 10-1/8	9-1/8	9-1/2	9-3/8	14	14-3/4
– low	$ 8-3/8	6-7/8	6-3/8	6-5/8	8-3/8	8-3/4
– close	$ 9-3/8	8-3/4	7-1/4	8-5/8	8-5/8	12
Ratios						
Return on average common equity	% 8.6	8.3	*	7.1	8.0	24.4
Dividend payout of earnings	% 51.3	62.5	*	92.8	84.5	26.5
Dividend yield[6]	% 2.6	2.7	6.2	6.0	5.8	3.5
Price/earnings[6]	20.0	22.4	*	15.4	13.5	7.4
Long-term debt to common equity	1.5:1	1.3:1	2.1:1	1.3:1	1.5:1	2.3:1
Funds flow coverage of financial charges and preferred dividends[7]	2.4	2.3	1.5	2.1	2.2	3.4
Miscellaneous data						
Common shares outstanding – year-end (millions)	407	406	326	300	299	245
– average (millions)	407	388	313	299	261	229
Common shareholders at year-end (thousands)	37	39	41	44	42	39
Employees at year-end (thousands)[8]	6.3	6.3	6.6	9.8	13.1	11.3

Not applicable.

(1) Sale of rubber business.
(2) Acquisition of Polysar Energy & Chemical Corporation.
(3) Includes current portion.
(4) Includes convertible debentures and warrants.
(5) Calculation includes the effect from conversion of the convertible debentures and warrants.
(6) Calculated using year-end market prices.
(7) Funds from continuing operations before financial charges divided by total financial charges and preferred shares dividend entitlement.
(8) Permanent employees of NOVA, its subsidiaries and affiliates.
(9) Includes $240 million of subsidiary term preferred shares.

shareholder information

dividends per common share
($)



Dividends were reduced in November 1991 to conserve cash for Alberta pipeline expansion.

Scheduled dividend payment dates:

February 15; May 15; August 15; November 15

Scheduled financial reporting dates:

April 29, July 29, October 28, 1994; January 27, 1995

1993 trading volumes:

TSE: 160,198,571
NYSE: 16,569,600

NOVA's common shares are listed on the Toronto, Montreal, Alberta, New York and London stock exchanges, and on Swiss stock exchanges in Basle, Geneva and Zurich. At December 31, 1993, about 407 million common shares were outstanding, and there were some 37,000 registered holders of common shares.

Five preferred share issues and one warrant issue are outstanding.

Nova	E	p	7-3/4%
Nova	F	p	9-3/4%
Nova	G	p	9.76%
Nova	H	p	7.60%
Nova	O	p	variable rate
Nova	W		1996

All five preferred share issues are listed on the Toronto and Alberta exchanges, and two issues (the 7.60 per cent and variable rate issues) are listed on the Montreal exchange. NOVA's share issues are designated in stock listings as 'Nova' or a variation of our full legal name. 'NVA' is the symbol assigned to NOVA by stock exchanges in Canada and by the New York Stock Exchange.

Dividend reinvestment and share purchase plan

NOVA's Dividend Reinvestment and Share Purchase Plan provides a convenient method for common and preferred shareholders in Canada and the United States to reinvest their dividends in NOVA common shares without brokerage or administration fees.

For information on the plan, contact NOVA's transfer agent:

The R-M Trust Company
600 The Dome Tower
333 Seventh Avenue S.W.
Calgary, Alberta T2P 4P4
(403) 232-2400

Non-resident investors

Dividends paid to shareholders outside Canada are subject to Canadian non-resident withholding tax, generally at the rate of 15 per cent for the United States and other countries where Canadian tax treaties apply, and 25 per cent for non-treaty countries. Certain exemptions or refunds may be available to residents of the United States. Shareholders should consult their tax advisors.

Call toll-free

For further information, shareholders are invited to call 1-800-661-8686.

corporate governance

The governance of the Corporation is the responsibility of the Board of Directors, four committees of the board and the Corporate Strategy and Policy Committee.

The Corporate Strategy and Policy Committee advises the chief executive officer on the short- and long-term direction of the company. The committee's mandate includes the development of corporate strategy, review and approval of business plans, and monitoring the environment in which the company conducts its business.

The committee also recommends annual budgets to the board for approval as well as reviewing and recommending major acquisitions, divestments, investments and changes in business direction.

Our thanks to Donald G. Olafson, senior vice president, and R.L. (Bob) Pierce, senior vice president and director. Both have chosen to reduce their responsibilities at NOVA in 1994.

Don Olafson is the person most responsible for establishing NOVA's international presence. Bob Pierce has served at the most senior levels of NOVA, Novacor Chemicals, Pan-Alberta Gas and Foothills Pipe Lines. Mr. Pierce was NOVA's president from 1986 through 1988. Messrs. Olafson and Pierce will continue as consultants to NOVA. Mr. Pierce will also be active as a director of NOVA, and with some of NOVA's affiliates.

The members of the Corporate Strategy and Policy Committee are:

Pierre Choquette
NOVA Senior Vice President,
President, Novacorp International Inc.

John E. Feick
NOVA Senior Vice President,
President, Novacor Chemicals Ltd.

C. Kent Jespersen
NOVA Senior Vice President,
President, NOVA Gas Services Ltd.

Jeffrey M. Lipton
NOVA Senior Vice President
and Chief Financial Officer

Richard C. Milner
NOVA Senior Vice President,
Treasurer

Jack S. Mustoe
NOVA Senior Vice President,
General Counsel and
Corporate Secretary

J.E. (Ted) Newall
President and Chief Executive
Officer

Donald G. Olafson
NOVA Senior Vice President,
Pipeline Development

Brian F. Olson
NOVA Senior Vice President,
Human Resources

Robert L. Pierce
NOVA Senior Vice President,
Chairman/CEO, Foothills Pipe Lines,
Chairman, Pan-Alberta Gas Ltd.

A. Terry Poole
NOVA Senior Vice President,
Corporate Development and
Controller

Bruce W. Simpson
NOVA Senior Vice President,
President,
Alberta Gas Transmission Division

The four committees of the Board of Directors are:

Audit and Finance
Reviews the financial reporting of the company, recommends the auditors to be appointed, oversees the company's pension funds and reports annually on the financial plans and objectives of the company. Composed of Mrs. Rennie and Messrs. Coleman, Comrie, Healy, Hotchkiss (chair) and Milavsky.

Corporate Governance
Oversees the governance of the company, reviews the performance of the board and its members, and recommends nominees for election to the board. Composed of Sir Graham Day and Messrs. Aird, Haskayne (chair), Ritchie and Seaman.

Human Resources
Reviews recommendations for senior executive positions, considers succession planning and compensation, recommends awards under the Share Option Plan and manages the company's pension plans, other than the trust fund. Composed of Sir Graham Day and Messrs. Boer, Haskayne (chair), Kissick, MacLeod, Pappas, Ritchie and Seaman.

Public Policy, Risk & Environment
Oversees corporate contributions, environmental policy, government relations and the company's role with special interest groups. Composed of Mrs. Rennie and Messrs. Aird, Boer, Coleman, Comrie, Healy, Kissick, MacLeod, Milavsky (chair), Newall, Pappas, Pierce and Ritchie.

board of directors

Hon. John B. Aird, C.C., Q.C.

Mr. Aird is honorary chairman and counsel of the Toronto law firm of Aird & Berlis. He is chancellor emeritus of the University of Toronto and Wilfrid Laurier University, and Third Visitor, Massey College, University of Toronto. Mr. Aird served as the Lieutenant-Governor of the Province of Ontario between 1980 and 1985. Board member since 1988.

Dr. F. Peter Boer

Dr. Boer has held several senior positions in chemical research and business management. He is currently executive vice president of W.R. Grace & Co., a manufacturer of specialty chemicals. Dr. Boer is chairman of the Evaluation Committee for the National Medals of Technology in the United States and serves on several other governmental and university advisory bodies. He resides near Boca Raton, Florida. Board member since 1991.

Ronald B. Coleman

Mr. Coleman resigned from his position as senior vice president of a major oil company in 1979 to pursue a private career as an oil and gas consultant. He is president, Dominion Equity Resource Fund Inc., R.B. Coleman Consulting Co. Ltd., and chairman, Landmark Corporation. Mr. Coleman is also a director of the Maritime Life Assurance Company and Canadian Conquest Exploration Inc. Mr. Coleman resides in Calgary. Board member since 1987.

William H. Comrie

Mr. Comrie is chairman of The Brick Warehouse Corporation, a Canadian company engaged in the retail marketing of furnishings. He is owner of the B.C. Lions Football Team and resides in Edmonton. Board member since 1986.

Sir J. Graham Day

Sir Graham is counsel to the Atlantic Canada law firm Stewart McKelvey Stirling Scales and an advisor to the Boston Consulting Group. Prior to his retirement in 1993, he was chairman of Cadbury, Schweppes plc and PowerGen plc in the United Kingdom. Sir Graham is a director of several companies in the United Kingdom and Canada including the Bank of Nova Scotia and Crownx Inc. He resides in Hantsport, Nova Scotia. Board member since 1990.

Richard F. Haskayne

Mr. Haskayne, NOVA's chairman, entered the oil and gas industry in 1960. He held numerous executive positions until his retirement in 1991 as chairman, president and chief executive officer of Interhome Energy Inc., the parent company of Home Oil and Interprovincial Pipe Line. Mr. Haskayne is chairman of the Board of Governors of the University of Calgary, and a director of several Canadian companies. He resides in Calgary. Joined the board in 1991; appointed chairman in 1992.

J. Joseph Healy

Mr. Healy is president of Healy Motors, of Edmonton, where he resides. Mr. Healy also serves on the boards of Healy Truck & Body Centre Ltd., Car Leasing (Alberta) Ltd. and Burnside Holdings Ltd. Board member since 1977.

Harley N. Hotchkiss

Mr. Hotchkiss is president and a director of Spartan Resources Ltd. and other private companies investing in oil and gas, real estate and agriculture. Mr. Hotchkiss is chairman, board of management, of Foothills Provincial Hospital. He is a resident of Calgary and serves on the boards of several companies including The Calgary Flames Hockey Club Ltd. Board member since 1979.

W. Norman Kissick

Mr. Kissick joined Union Carbide Canada in 1952 and held several executive positions prior to retiring as chairman and chief executive officer in 1991. Mr. Kissick serves on the boards of Canadian Pacific Forest Products Ltd. and the Toronto Dominion Bank. He resides in Agincourt, Ontario. Board member since 1992.

J.M. (Jack) MacLeod

Mr. MacLeod joined Shell Canada Limited in 1954 and progressed through a variety of managerial and executive positions until his appointment as president and chief executive officer in May 1985, a position from which he retired in January 1993. Mr. MacLeod resides in Calgary. Board member since February 1993.

Harold P. Milavsky, F.C.A.

Mr. Milavsky is chairman of the executive committee and a director of Trizec Corporation Ltd., and chairman of the board of Carena Developments Ltd. He is a director of several Canadian companies. Mr. Milavsky resides in Calgary. Board member since 1988.

J.E. (Ted) Newall

Mr. Newall joined NOVA in 1991 and is president and chief executive officer of the Corporation. Mr. Newall joined DuPont Canada Inc. in 1958 and held several managerial and executive positions until he retired in 1991 as chairman and chief executive officer of DuPont Canada and senior vice president, Agricultural Products, of E.I. du Pont. Mr. Newall, who resides in Calgary, is a director of several Canadian companies. Board member since 1991.

Dr. Nicholas Pappas

Dr. Pappas is president and chief operating officer of Rollins Environmental Services Inc. of Wilmington, Delaware. Prior to joining Rollins, he held several executive positions in E.I. du Pont de Nemours & Co. until his retirement as executive vice president in 1990. Dr. Pappas resides in Centerville, Delaware. Board member since 1992.

Robert L. Pierce, Q.C.

Mr. Pierce is chairman and chief executive officer of Foothills Pipe Lines Ltd., chairman of Pan-Alberta Gas Ltd., and a senior vice president of NOVA. Mr. Pierce serves on the boards of several Canadian companies and organizations. He resides in Calgary. Board member since 1977.

Janice G. Rennie

Mrs. Rennie joined Princeton Developments Ltd. in 1985 and held several executive positions leading to her appointment as president of Princeton's Prairie and Northwest Territories Region in 1991 and senior vice president in 1993. She is also president of Bellanca Developments Ltd. and is a member of the Audit Committee for the Province of Alberta. Mrs. Rennie resides in Edmonton. Board member since 1991.

Cedric E. Ritchie, O.C.

Mr. Ritchie joined the Bank of Nova Scotia in 1945 and held several managerial and executive positions until his appointment in 1972 as chairman and chief executive officer and director. In January 1993, he retired as the bank's chief executive officer but continues as chairman of the board, chairman of the executive committee and a director. Mr. Ritchie serves on the boards of several national and international companies. He resides in Toronto. Board member since 1992.

Daryl K. Seaman, O.C.

Mr. Seaman was non-executive chairman of NOVA's board from September 1991 to April 1992. He was co-founder of Bow Valley Industries Ltd., and its chairman until his retirement in 1992. Mr. Seaman is currently chairman of DOX Investments Inc. and he also serves on the boards of several Canadian companies including Trimac Ltd. and The Calgary Flames Hockey Club Ltd. Mr. Seaman resides in Calgary. Board member since 1973.

corporate directory

Headquarters

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Director, Public Affairs
(403) 290-7609

Investor information

Bill Rowe
Director, Investor Relations
(403) 290-7807

Share registration

Common shares are transferable at the Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal, Halifax and London, England offices of The R-M Trust Company and at the office of Mellon Securities Trust Company, New York, N.Y. NOVA's preferred shares and 1996 warrants are transferable at the offices of Montreal Trust Company in Vancouver, Calgary, Edmonton, Regina, Winnipeg, Toronto, Montreal and Halifax.

Businesses

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Telex 038-21503

Solicitors

Osler, Hoskin & Harcourt
Toronto, Ontario

Howard Mackie
Calgary, Alberta

Orrick, Herrington & Sutcliffe
San Francisco, California

Auditors

Ernst & Young
Calgary, Alberta

Electronic bulletin board

Recent NOVA news releases, quarterly reports and quarterly Alberta gas delivery data are accessible from our electronic bulletin board.

To gain access to this information, you need a computer with a modem and communications software.

Here are the system settings:

- 300 to 9600 baud rate
- data setting: 8 data bits
- 1 stop bit
- no parity

You may access our system through two telephone lines:
(403) 294-1096
(403) 294-1097

40 years young

1954
The Alberta Gas Trunk Line Company Limited (AGTL) is incorporated by the Province of Alberta.

1957
First gas transmission on 118 miles of pipeline in southeastern Alberta.

1960
Construction begins on western leg to carry gas to California and Pacific Northwest.

1961
AGTL makes its first public offering of Class 'A' common shares.

1966
Polysar (later purchased by NOVA) acquires its first polystyrene plant.

1967
AGTL becomes largest transporter of natural gas in Canada.

1972
Pan-Alberta Gas is formed to market surplus Alberta gas.

1973
AGTL launches international consulting group (later renamed Novacorp International).

1974
Foothills Pipe Lines is created to build and operate an Arctic gas pipeline; construction begins on Petrosar (Corunna) petrochemicals complex.

1975
World-scale Alberta methanol plant commences operation.

1977
Polysar builds world-scale styrene monomer facility at Sarnia, Ontario.

1979
One of the world's largest ethylene plants opens at Joffre, Alberta; AGTL acquires major interest in Husky Oil.

1980
AGTL renamed NOVA, An Alberta Corporation.

1981
Novacor Chemicals Ltd. is formed; western leg of the Alaska Highway Gas Pipeline Prebuild is completed.

1984
New ethylene and polyethylene plants open at Joffre.

1987
NOVA purchases polyethylene plant at Sarnia.

1988
NOVA acquires Polysar and full ownership of methanol facility.

1989
NOVA acquires polypropylene facility in Michigan; begins construction of a polystyrene plant in Alabama.

1990
NOVA sells rubber division; Alberta Gas Transmission Division spends record $717 million on pipeline expansion.

1991
NOVA sells its interest in Husky.

1992
Joint venture technical services company launched in Malaysia; NOVA acquires interest in Argentine pipeline.

1993
Strategic review leads to several divestments; NOVA announces investments in Natural Gas Clearinghouse and Methanex Corporation and acquisition of DuPont Canada's polyethylene business; Gas Services business is created.

1994
NOVA Corporation of Alberta turns 40

production notes

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NOVA

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rapports annuels en français

Veuillez vous adresser au secrétaire de la Société si vous désirez recevoir un exemplaire de la version française de ce rapport.

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